



TOWN OF SOUTH KINGSTOWN AFFORDABLE HOUSING PRODUCTION PLAN



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October 2003; Revised December 2004

TOWN OF SOUTH KINGSTOWN

Affordable Housing Production Plan

October 2003; As revised December 13, 2004

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EXECUTIVE SUMMARY

Attentive to the effects of South County's continued housing market boom on low and moderate income households, the South Kingstown Town Council commissioned this Affordable Housing Production Plan to review the Town's housing policies, determine how housing needs of the population have changed over the past decade, and identify and develop strategies for the Town to ensure that the diverse housing needs of residents are met. The Plan also identifies potential locations which the Town feels would be appropriate for affordable housing development, as well as regulatory techniques the Town will implement to facilitate the development of affordable housing throughout the Town.

The South Kingstown Town Council commissioned this plan before the issuance of State Handbook 16, and the plan has been updated to reflect the requirements of Handbook 16, and the changes required by the 2004 revisions to the State's Low-Moderate Income Housing Act. The South Kingstown Town Council and Planning Board adopted this Affordable Housing Production Plan as an appendix to the Town's Housing Element at a joint Public Hearing held on December 13, 2004. As a component of the South Kingstown Comprehensive Community Plan's Housing Element, state law requires that the Affordable Housing Production Plan be reviewed and updated at least every five years per RIGL 45-22.12 (B). In addition, the Town has the option to amend or revise the Plan on a more frequent basis as conditions warrant.

The strategies and recommendations found in this production plan are designed to provide South Kingstown with a road map to meet the 10% affordable housing goal set by the State Low-Moderate Income Housing Act. The Plan proposes 826 new affordable units over the next twenty years. The targeted breakdown of the new affordable units is as follows: 327 affordable units for families (both homeownership and rental), 267 affordable units for the elderly (again, both homeownership and rental), and 232 affordable units for individuals and special needs populations.

South Kingstown will encourage the development of these new affordable units in a variety of ways. The Town will pass a mandatory inclusionary zoning ordinance, requiring 20% affordable housing in all developments with six or more units. The Town will work with Town residents, business owners, and local non-profit agencies to develop affordable housing through rehabilitation, conversion, and new construction in the Town Centers of Wakefield and Peace Dale, along identified housing corridors, and at other appropriate identified sites.

The Town will waive impact fees for all new affordable units with an affordability restriction of at least 30 years. Through the recently created Affordable Housing Collaborative, the Town will publicize that duplexes and accessory dwelling units are allowed by right in much of the Town. As incentive to property owners who wish to create an affordable duplex or accessory dwelling unit, the Town, as stated above will waive the impact fees for these affordable units, and will work to obtain other funding subsidies for affordable units from a variety of sources. Finally, the Town will work with affordable housing developers wishing to use a Comprehensive Permit to negotiate outcomes that are satisfactory both to the Town and to the developer.

INTRODUCTION

PREFACE: (December 2004 Revisions).

This document has been updated to reflect current conditions, changes to State statutes relating to Affordable Housing and to address comments noted in the State Review of the South Kingstown Comprehensive Community Plan Update of which this document was included as an Appendix thereto.

GROWING NEED FOR AFFORDABLE HOUSING IN SOUTH KINGSTOWN

South Kingstown has been working over the past two decades to address the diverse housing needs of its growing population. In an era of rapidly escalating housing costs and a shortage of affordable housing options, the Town is realizing the importance of creating and maintaining affordable housing for residents at different income levels and in different stages of life. In 1992, the Town Council adopted a new *Housing Element* into the Town's Comprehensive Plan. The overall goal of this Housing Element was:

"To encourage a range of housing choices in order that the Town can continue to be a home to a vital mix of people."

Since the incorporation of this 1992 *Housing Element*, the Town has developed aggressive goals and policies to address the diverse housing needs of its growing and aging population. In the 10 years since the 1992 *Housing Element* was written, the need for affordable housing options in South Kingstown has continued to grow, along with the Town's population and housing prices.

Escalating housing prices are making affordable homeownership and rental housing increasingly difficult to find for many South Kingstown residents. According to the Multiple Listing Service, the average cost of homeownership houses in the Town has risen substantially since 1990—a 10% price increase from 1990 to 2000. Even more dramatic has been the 21% price increase from 2001 to the second quarter of 2002. At the time of this study, the average cost of a homeownership house in 2002 was \$254,000; this monthly cost is affordable only to households earning more than \$85,843 per year. Of South Kingstown's wage-earning households, only about 33% earn above \$85,843 per year. This trend toward accelerated housing prices has continued such that for the period of January-June of 2004 the median sales price of a single-family home in South Kingstown was \$355,000. This represents an increase of 16.7% over the median sales price for 2003 which was \$300,000.

South Kingstown is also pressed for affordable, year-round rental housing. A substantial portion of rental housing in the Town is only rented seasonally. Furthermore, South Kingstown's coastline and picturesque location in Washington County make it a desirable vacation spot. Consequently, the housing market is not affordable for many of the Town's low- to moderate-income residents.

PURPOSE OF THE AFFORDABLE HOUSING PRODUCTION PLAN

Attentive to the effects of South County's continued housing market boom on low- and moderate-income households, the South Kingstown Town Council commissioned this

Affordable Housing Production Plan to review the Town's housing policies, determine how housing needs of the population have changed over the past decade, and identify and develop strategies for the Town to ensure that the diverse housing needs of residents are met.

Information and recommendations in this study are based on research of affordable housing programs and strategies employed successfully by cities and towns throughout the country, as well as information gathered from South Kingstown Town Officials, the South Kingstown Housing Authority, and from local non-profit organizations. Demographic data, and municipal information presented in this study were gathered from Information is drawn from the 1990 and 2000 U.S. Census, Rhode Island Housing, the RI Economic Development Corporation, and Town of South Kingstown documents.

OUTLINE OF THE AFFORDABLE HOUSING PRODUCTION PLAN

The Affordable Housing Production Plan presents a summary and analysis of existing housing conditions in South Kingstown, comparing housing changes in South Kingstown, Washington County, and Rhode Island over past decade. As housing issues are inextricably related to population and income issues, a discussion of demographic information is also included in this discussion of existing housing conditions. Also included in this discussion of existing housing conditions is a review of efforts made by the Town to rehabilitate housing stock into quality affordable housing.

Following the presentation of existing housing conditions is a thorough discussion of the need for affordable housing in South Kingstown. The need for affordable housing is clearly growing, and includes a need for affordable rental housing and affordable homeownership houses.

Before affordable housing strategies and recommendations are presented, the conclusions and recommendations of the *1992 Housing Element* are reviewed, along with the status of the implementation of this Housing Element's recommendations. Finally, resources that the Town can draw on in the implementation of affordable housing strategies are identified. This *Housing Production Plan* concludes by presenting "Next Steps" for the Town in terms of development and preserving affordable housing in South Kingstown.

GOALS AND OBJECTIVES

Goals and objectives of the *Affordable Housing Production Plan* are based on two public meetings/ work sessions with the South Kingstown Town Council and the public held on April 10, 2002 and July 24, 2002. Additionally, meetings with Town Officials, the South Kingstown Planning Board, the South Kingstown Housing Authority, and interviews with local housing providers contributed to the development of this Study. These interactions, along with a review of the 1992 Housing Elements and an analysis of existing conditions and trends led to the development of goals and objectives that address the need for more affordable housing in the Town, while acknowledging other important Town issues such as growth-management and open space preservation. These goals and objectives were reiterated in the "South Kingstown Comprehensive Community Plan Five Year Update" of which this plan is a component. The December 2004 revisions to this Plan are intended to address comments received during the State review of the Five-Year Update and changes made to the RI General Laws affecting 'affordable housing' during the 2003/2004 session of the General Assembly.

A public work session on the revisions to the affordable housing production plan was held by the Planning Board on November 16, 2004, followed by a joint public hearing of the Planning Board and Town Council on December 13, 2004.

The overall goal described below calls for a mix of housing choices, including affordable housing that will allow people living, working and raising families in South Kingstown to remain in the Town without being priced out of the housing market. The Town Council agreed that this is the most important objective of the *Housing Study*. It follows that the other objectives call for the development action steps to ensure that South Kingstown remains affordable for its residents and their children.

OVERALL GOAL

To encourage a range of housing choices, including affordable housing options, so that the Town can continue to be a home to a vital mix of people.

OBJECTIVES OF THE AFFORDABLE HOUSING PRODUCTION PLAN

- Ensure that all people living, working and raising children in South Kingstown can afford to live in the Town.
- Develop municipal policies and action recommendations that reflect the Town's commitment to affordable housing, and are consistent with State and Federal Affordable Housing Acts.
- Develop partnerships between the Town, non-profits, private developers and the University of Rhode Island to address housing challenges and develop affordable housing.
- Gain community support and acceptance for affordable housing within the Town.
- Promote housing opportunities that further Fair Housing goals.

- Identify funding sources and other resources for affordable housing development and rehabilitation.
- Identify implementable measures designed to meet the Town's affordable housing goals.

HOUSING AND HOUSEHOLD TRENDS

SOUTH KINGSTOWN HOUSEHOLDS

South Kingstown experienced a significant population growth from 1990-2000, growing from a Town of 24,631 according to 1990 Census data, to a Town of 27,921 in 2000. This increase of 13.4% is significantly more than the population growth experienced by the State as a whole. From 1990 to 2000, Rhode Island grew 4.4%, from 1,003,464 to 1,048,319. The dramatic increase in South Kingstown's population has put pressure on housing opportunities—particularly affordable housing opportunities—within the Town.

Table One
South Kingstown and Rhode Island Households Trends, 1990-2000

	1990 South Kingstown	1990 Rhode Island	2000 South Kingstown	2000 Rhode Island
Total Population	24,631	1,003,464	27,921	1,048,319
Total Households	7,428	377,977	9,268	408,424
Average Number of Persons/ Household	2.61	2.55	2.56	2.47

Source: U.S Bureau of the Census: Census 1990 and Census 2000

HOUSING STOCK

Table Two and Figure One on the following pages shows that housing production in South Kingstown has kept pace with population growth in the Town. From 1990 to 2000, the number of housing units in South Kingstown increased from 9,806 to 11,291—a 15.1% increase in units. However, while the number of housing units increased during this time, so did the median sale price of houses. According to Town Tax Assessor's sales listing records, 60.2% of the houses sold in 2001 were listed above \$220,000. \$220,000 is the upper affordability range for first-time homebuyers, according to Rhode Island Housing. These high prices are well out of the affordability range for low- and moderate-income South Kingstown residents. This trend has continued since 2001. (Housing prices are discussed in greater detail below.)

Owner-occupied units in South Kingstown in 2000 comprised 74.9% of the Town's total occupied housing units. This is up from 69.9% in 1990. A similar increase in the percentage of owner-occupied units is also seen in Washington County as a whole, which went from 68.9% to 72.8% owner-occupancy. Rhode Island's total owner-occupancy rate, however, remains relatively steady at around 60%.

Conversely, the number of renter-occupied units in South Kingstown decreased 5% from 1990 to 2000. Renter-occupied units in Washington County decreased 3.9%, and Rhode Island's renter-occupancy rate remained steady around 40%.

Seasonal housing units, which are a significant portion of South Kingstown's housing stock, decreased from 1,994 in 1990 to 1,726 in 2000. This is not so much a function of abandonment of South Kingstown as a seasonal destination, but rather, more people are choosing to live in South Kingstown year-round and commute to jobs outside the Town.

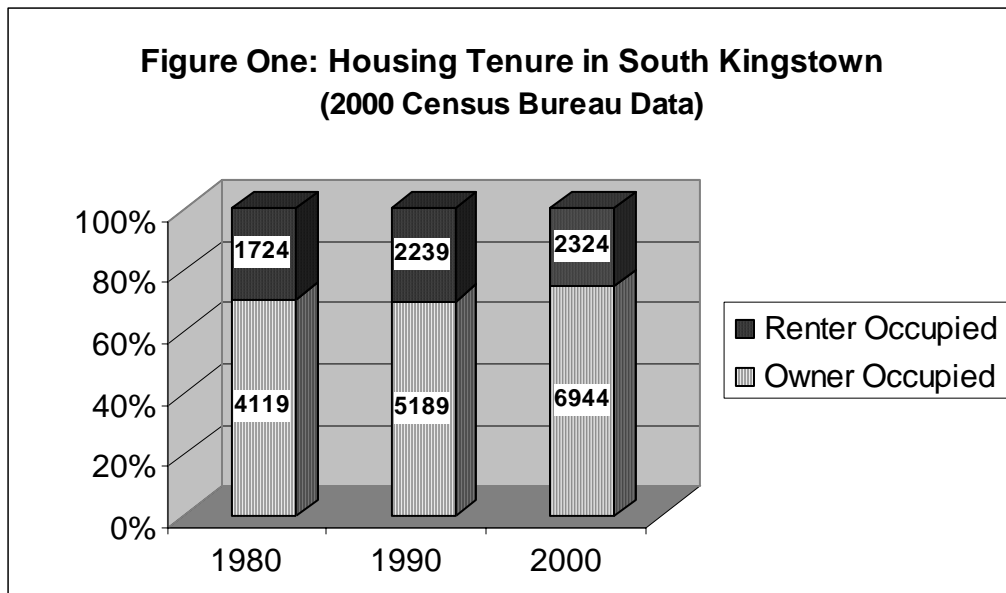


Table Two
Housing Tenure and Ownership 1980-2000
South Kingstown, Washington County & Rhode Island

	South Kingstown	South Kingstown %	Wash. County	Wash. County %	Rhode Island	Rhode Island %
Total Units						
1980	8,138		40,899		372,672	
1990	9,806		49,856		414,572	
2000	11,291		58,816		439,837	
Percent Increase						
1980 – 1990	20.5%		21.9%		11.2%	
1990 – 2000	15.1%		18.0%		6.1%	
Occupied Units						
1980	5,843	71.8%	31,081	76.0%	338,590	90.9%
1990	7,428	75.7%	39,311	78.8%	377,977	91.2%
2000	9,268	82.1%	46,907	79.8%	408,424	92.9%
Owner-Occupied Units						
1980	4,119	70.5%	21,293	68.5%	196,044	57.9%
1990	5,189	69.9%	27,082	68.9%	224,792	59.5%
2000	6,944	74.9%	34,164	72.8%	245,156	60.0%
Renter-Occupied Units						
1980	1,724	29.5%	9,788	31.5%	142,546	42.1%
1990	2,239	30.1%	12,229	31.1%	153,185	40.5%
2000	2,324	25.1%	12,743	27.2%	163,268	40.0%
Seasonal Units						
1980	1,752	21.5%	6,606	16.2%	10,039	2.7%
1990	1,994	20.3%	8,000	16.0%	12,037	2.9%
2000	1,726	15.3%	8,157	13.9%	12,988	3.0%

Source: U.S. Bureau of the Census, Census 1980, Census 1990 and Census 2000

UNIT DISTRIBUTION

In 2000, 81.9% of South Kingstown's 11,921 housing units were single-family homes. This is just slightly higher than the percentage of single-family home units in the Town in 1990, which was 80.4%. Census data also shows that, in both 1990 and 2000, 11.1% of South Kingstown housing units were found in multifamily structures between 1 and 10 units. Residential structures with more than 10 units accounted for 5.1% of the total unit

distribution in the Town in 1990, and 5.7% in 2000. Table Three, below, gives a breakdown and comparison of unit distribution for single family attached, multifamily, and other types of housing units in the Town according to 1990 and 2000 Census data.

Table Three
Housing Stock Distribution
Town of South Kingstown

	1990	% of 1990	2000	% of 2000
Total Number of Units	9,806	100.0%	11,291	100.0%
Single Family Home	7,886	80.4%	9,248	81.9%
1 unit attached	157	1.6%	222	2.0%
2 to 4 units	672	6.9%	787	7.0%
5 to 9 units	252	2.6%	242	2.1%
10 or more units	501	5.1%	647	5.7%
Mobile home	338	3.4%	145	1.3%
Boat, RV, van, etc.	0	0.0%	0	0.0%

Source: U.S. Bureau of the Census: Census 1990 and Census 2000

AGE OF HOUSING

South Kingstown's housing stock is an eclectic mix of historic structures (some dating to the early 18th century,) homes built during the boom years after World War II, and many newer homes as well. Table Four, on the following page, depicts the age of housing in the Town. It is significant to note that, since the 2000 Census, 229 513 residential building permits (single family, duplex, and multi-household units) have been issued in the Town (through September 2004.)

Table Four
Age of Housing Stock
Town of South Kingstown

Year Structure Built	# Units	% of Total Units
1990 - 2000	2060	18.2%
1980 - 1989	1971	17.5%
1970 - 1979	1896	16.8%
1960 - 1969	1179	10.4%
1940 - 1959	1978	17.5%
1939 or earlier	2207	19.5%
Total Number of Units	11291	100.0%

Source: U.S. Bureau of the Census, Census 2000

Lead Based Paint Issues

Rhode Island has the fourth oldest housing stock in the Country. The age of housing stock in Rhode Island means that the presence of lead in paint poses a major challenge to providing quality, safe, affordable housing. Any structure built prior to 1978, when the use of lead based paint in residential units was made illegal, is highly likely to contain some lead paint in or on the property, and in fact, 65% of the housing in the State contains lead based paint. Lead paint is the number one environmental hazard for children under the age of six the State of Rhode Island and extensive exposure can result in neurological damage.

According to Rhode Island Mortgage and Finance Corporation 2000-2005 Rhode Island Consolidated Plan, an estimated 52.6% of all occupied units in South Kingstown contain lead-based paint. In 1998, 9% of South Kingstown children had elevated levels of lead in their blood. Because approximately 90% of the housing in South Kingstown was built prior to 1978, any rehabilitation project involving this segment of the housing stock should incorporate considerations relating to lead based paint abatement.

LOCATION OF HOUSING WITHIN THE TOWN

Residential density in South Kingstown is greatest in the Town's central area, which is comprised of Wakefield, Peace Dale and Kingston. However, subdivision developments in the Town's more rural areas are becoming increasingly common. *GIS Map #1* in Appendix A shows residential land use within the Town of South Kingstown, as mapped in 1995.

ZONING

South Kingstown zoning regulations permit a variety of residential uses densities within the Town's seven residential zoning categories. Residential zoning in the Town's more developable areas allow for greater density of units than does zoning in more rural sections of the Town. It is for this reason that affordable rental units in multifamily structures tend to be clustered in the central villages of Wakefield, Kingston and—particularly—Peace Dale.

Additionally, the Town has enacted Phasing and Pacing provisions to limit rapid residential development within the Town and its impacts on the local environment, economy, and services. However, exceptions are permitted for affordable housing development and elderly units. South Kingstown's residential zones are depicted in *GIS Map #2* in Appendix A. All Town zones are shown in *GIS Map #3*, also in Appendix A.

DEVELOPABLE LAND

The South Kingstown Planning Department did a Build-Out Analysis in 2001 detailing all Town land available for development, this analysis has since been refined and updated on a yearly basis. In November of 2004 there are nearly 7,693 acres of developable land in the Town, including 702 buildable acres in the Town's central villages of Peace Dale, Wakefield and Kingston. The amount of developable land in South Kingstown is one of the Town's greatest assets for future affordable housing development. Developable Land as an asset is detailed in the *Affordable Housing Resources* section of this study. Table Five, below, depicts the amount of land available for developing in South Kingstown.

Table Five
Total Developable Land in South Kingstown 2004

	Total Acres	% Total Acres	Total Buildable Acres	% Buildable Acres
Central Villages (Peace Dale, Wakefield, Kingston)	6,248.29	17.24%	702	11.23%
Rural Villages	30,003.71	82.76%	6991	23.3%
TOTAL	36,252.00	100.00%	7693	21.22%

Source: Town of South Kingstown Central Core/Rural Periphery Analysis: Build-Out Analysis. June 2001, as revised November 2004.

The availability of developable land within the Town presents opportunities for the Town to effectively employ inclusionary zoning measures, like density bonusing, to encourage the development of affordable housing. *GIS Map #4* depicts developable land in South Kingstown.

INCOME DATA

According to Census data, the median household income in South Kingstown in 2000 was \$56,325. This is a 25.6% increase from 1990, when the average South Kingstown household earned \$41,895. This rate of income increase dropped off substantially from the rate of change from 1980 to 1990 when the median income increased 96.7%--from \$21,302 to \$41,985. Although incomes of South Kingstown residents have made substantial gains in the last 20 years, these gains have not kept pace with skyrocketing housing market in the area—particularly over the past two years. 9,254 of South Kingstown's 9,268 households reported their incomes on the 2000 Census, and a detailed breakdown of this income data, including a comparison of income data from South Kingstown, Washington County and Rhode Island from 1980-1999 is shown in Tables Six and Seven below.

Table Six
Median Family Income 1980-1999
South Kingstown, Washington County & Rhode Island

Year	South Kingstown	Washington County	Rhode Island
1980	\$21,302	\$20,859	\$19,448
1990	\$41,895	\$42,343	\$39,172
1999	\$56,325	\$53,103	\$42,090
Percent Change (1980- 1990)	96.7%	103.0%	101.4%
Percent Change (1990- 2000)	25.6%	20.3%	6.9%

Source: U.S. Bureau of the Census, Census 2000

Table Seven
Household Income Distribution 1999
South Kingstown, Washington County & Rhode Island

	South Kingstown	South Kingstown %	Washington County	Washington County %	Rhode Island	Rhode Island %
Number of Households	9,268	100.0%	46,907	100.0%	408,424	100.0%
Less than \$10,000	467	5.0%	2,781	5.9%	43,800	10.7%
\$10,000 - \$14,999	402	4.3%	2,342	5.0%	28,604	7.0%
\$15,000 - \$24,999	775	8.4%	4,455	9.5%	50,524	12.4%
\$25,000 - \$34,999	981	10.6%	5,134	10.9%	48,428	11.9%
\$35,000 - \$49,999	1,384	14.9%	6,952	14.8%	64,068	15.7%
\$50,000 - \$74,999	2,111	22.8%	10,784	23.0%	82,350	20.2%
\$75,000 - \$99,999	1,338	14.4%	6,589	14.0%	43,623	10.7%
\$100,000 - \$149,999	1,220	13.2%	5,314	11.3%	31,162	7.6%
\$150,000 - \$199,999	306	3.3%	1,303	2.8%	7,914	1.9%
\$200,000 or more	270	2.9%	1,228	2.6%	7,939	1.9%
Median Household Income	\$56,325		\$53,103		\$42,090	
80% of Median Income	\$45,060		\$42,482		\$33,672	
60% of Median Income	\$33,795		\$31,862		\$25,254	
50% of Median Income	\$28,163		\$26,552		\$21,045	
30% of Median Income	\$16,898		\$15,931		\$12,627	

Source: US Bureau of the Census, Census 2000

HOUSING PRICES: HOMEOWNERSHIP HOUSES

In the third quarter of 2004, the median sale price for houses in South Kingstown was \$355,000. This is a jump of 85.5% from 2001, when the median sale price was 200,000. Consistently dramatic increases in the purchase price of housing in South Kingstown have put homeownership out of the reach of many South Kingstown families.

Table Eight
Median Sales Prices of South Kingstown Housing Stock 1980-2004

	1980 Year End	1990 Year End	2000 Year End	2001 Year End	2004 3 rd Quarter
Median Sale Price	\$48,000	\$150,000	\$165,000	\$200,000	\$355,000
% Increase		+213% from 1980	+10% from 1990	+21% from 2000	+85.5% from 2001

*Source: U.S. Bureau of the Census, Census 1980, Census 1990 & Census 2000,
RI Living.com, November 2004*

A house in South Kingstown selling at \$355,000—the median price—would carry a monthly cost of around \$2,560 (if 10% is used as the down payment), including mortgage payments, insurance, taxes and utilities. This monthly cost is affordable only to households earning more than \$102,400 per year. Of South Kingstown's wage-earning households, only about 19% earn above \$102,400 per year. This means that only South Kingstown's population in the 81st income percentile can afford to purchase houses in the 50th cost percentile. Consequently, the other 81% of South Kingstown households must compete for housing in a market that is growing continually tighter. Table Nine shows the range of costs associated with purchasing a home in two price ranges.

Table Nine					
Affordability Index for Mortgages on South Kingstown Houses					
Down Payment Amount	Interest Rate	Loan Term	PMI	Total Monthly Payments With Insurance and Utilities	Income Necessary
House costing \$355,000					
5%	6.125%, no points	30	\$ 100	\$ 2,744	\$ 109,760
10%	6%, no points	30	\$ 50	\$ 2,560	\$ 102,400
20%	6%, no points	30	\$ -	\$ 2,297	\$ 91,880
House costing \$300,000					
5%	6.125%, no points	30	\$ 160	\$ 2,426	\$ 97,040
10%	6%, no points	30	\$ 50	\$ 2,263	\$ 90,520
20%	6%, no points	30	\$ -	\$ 2,033	\$ 81,320
Source: Interviews with Several Mortgage Finance Corporations in February 2003, <i>ReLiving.com</i> Nov. 2004					
Assumes \$200 per month for utilities for both houses, \$50 per month for insurance for the \$355,000 home, and \$60 per month for the \$300,000 house					

COST OF HOUSING

The cost of housing is determined by a number of factors, such as the cost of land, construction costs; and soft costs including impact fees, developer overhead, and other fees. South Kingstown waives the impact fee for affordable housing, thereby reducing the project costs, which subsequently reduces the cost of the affordable housing. Some of these factors are beyond a developer's control; however, some of these factors are influenced by the decisions that the developer and the Town make while designing and reviewing the project.

Construction costs and designs are considered an economically elastic cost within the project budget that is influenced by initial project design and choice and availability of construction materials. Construction cost is a large determinant of housing affordability. Any technology that could potentially lower the construction costs of housing would be a benefit to the buyer and would facilitate increased affordable housing construction. There are a number of designs that are becoming more available to contractors, such as the use of panelization or modular housing, that are not only less expensive in the construction stage, but may also reduce the operating costs for the purchaser in the long-term.

The cost of land continues to increase; however, the unit cost for land can be minimized by increasing the number of units in a development, as the lot size and layout are determined by the developer's design. Zoning is the principal mechanism used to attempt to reduce the costs of land. As such, this study discusses several techniques that can be used to reduce lot size.

HOUSING PRICES: RENTAL HOUSING

The average rental cost of a two-bedroom apartment in South Kingstown in 2003 was \$1,082. This price is affordable for households earning at least \$43,250 per year. Since about 1,600 South Kingstown rental households earn less than this, some including people who have lived in South Kingstown all their lives are forced to spend more than 30% of their incomes on household expenses, or even to seek housing outside of the Town.

Table Ten, below, compares the changes in average rental rates in South Kingstown, Washington County and the State of Rhode Island from 1990-2000, according to 1990 and 2000 Census data. It must be noted that the rental rates given by the census are lower than other reported rental rates advertised in local newspapers. The data found in the following table should be used to understand and illustrate the dramatic increase in rental rates over the past decade.

For instance, according to this table, rental rates increased 34.9% in South Kingstown from 1990-2000. This increase is actually higher than the increase in ownership housing prices during the same time period. Furthermore, this leap in rental housing prices is disproportionate to the increase in the median income in South Kingstown from 1990-2000. The median income rose 25.6%, while rental rates rose 34.9%. These statistics clearly demonstrate that South Kingstown families—both owners and renters—will be priced out of the housing market if recent trends persist.

Table Ten
Change in Rental Rates 1990-2000
South Kingstown, Washington County, Rhode Island

	South Kingstown	Washington County	Rhode Island
1990 Average Monthly Rent	486	497	416
2000 Average Monthly Rent	656	645	553
Percent Change	34.9%	29.8%	32.9%

Source: U.S. Bureau of the Census: Census 1990 and Census 2000

SEASONAL RENTAL HOUSING

South Kingstown is a waterfront community, and, as a result, has a significant supply of seasonal housing units. According to 2000 Census Data, 1,726 (15.3%) of South Kingstown's 11,291 housing units were designated for "seasonal, recreational or occasional use." Despite this designation, many of these units are occupied year-round by renters. The seasonal units are occupied by their owners or rented out at high prices during the summer, however, during the nine-month off-season (roughly September-May), they are rented at affordable rates to people living and working in the Town. With the changes to the Low-Moderate Income Housing Act during the 2004 Legislative Session, these seasonal units are no longer included in the housing unit count for a community when calculating the 10% goal for affordable housing within the community.

University of Rhode Island

Students from the University of Rhode Island (URI) comprise a large percentage of these off-seasonal renters. The seasonal rental schedule is ideal for students because many move out of the Town during the June—August summer break. However, for low to moderate-income South Kingstown families living in these seasonal rental units, securing other affordable housing May through September is a major housing challenge. Furthermore, it is common for upwards of five URI students to share rental payments on an off-seasonal rental unit. Consequently, seasonal unit landlords charge higher rents. Presumably, four URI students sharing rental payments can afford to pay more than a low- or moderate-income family with 1 or 2 incomes. URI is planning to build a 700-bed residential facility to house upper-class students and alleviate some housing pressures on the Town. This planned facility is discussed further in the *Affordable Housing Resources* section of this study.

AFFORDABLE HOUSING IN SOUTH KINGSTOWN

10% AFFORDABILITY GOAL

In response to a drastic shortage of affordable housing in Rhode Island, in January 2002, the State designed The Rhode Island Low and Moderate Income Housing Act 45-53, which mandates that cities and towns meet or have plans to meet a 10% affordability goal. This Act also outlines new guidelines for the Comprehensive Permit process. The Comprehensive Permit is discussed in greater detail in the *Affordable Housing Strategies* section of this study.

To comply with The Rhode Island Low and Moderate Income Housing Act 45-53, Rhode Island cities and towns must describe how they will ensure that a minimum of 10% of the total housing stock (15% for cities) will be affordable. South Kingstown's Comprehensive Plan reflects and supports this State requirement, and this *Affordable Housing Study* was commissioned to determine the current state of affordable housing within the Town, and to recommend strategies for increasing the percentage of affordable housing in the Town to at least 10%.

According to a July 2004 report by Rhode Island Housing, 5.07% of South Kingstown's housing stock is considered affordable to low- and moderate-income households (485 of 9,565 total units, as noted above seasonal units are not counted in the total). Although this is well below the 10% standard set by the State and by the Town's Comprehensive Plan, a number of new affordable housing units have been developed in the past decade. In addition, the South Kingstown Housing Authority has 138 Section 8 vouchers, but vouchers do not count toward the 10% standard. Table Eleven on the following page depicts existing affordable housing within the Town.

Table Eleven
Existing Affordable Housing in South Kingstown, as of July 2004

Development	# Units	Funding Source	Management	Renter/Owner Occupancy	Occupants
Champagne Heights	40	HUD	SKHA	Renter	Families
Fournier Estates	12	HUD	SKHA	Renter	Families
Village Gardens	18	HUD	SKHA	Renter	Elderly
Meadowbrook I	47	RIH	Private	Renter	Family/ Elderly
Meadowbrook II	12	USDA Rural Housing	Private	Renter	Family/ Elderly
Peace Dale House	100	HUD Sec. 202	Private	Renter	Elderly
Peace Dale Estates	32	USDA Rural Housing	Private	Renter	Elderly
Indian Run Village	114	RIH	Private	Renter	Elderly/ Disabled
Habitat for Humanity	7***	CDBG, RIH HOME	Habitat for Humanity	Owner	Families
Community Housing Corporation	4	HOME, bank loans	CHC	Owner	Family
South County Emergency Shelter	3	HOME, RIH	South County Emergency Shelter	Transitional	Family
Welcome House	4	CDBG, RIH	Welcome House	Transitional	Family/ Individual
Welcome House	3	CDBG RIH	Welcome House	Permanent Rental	Family/ Individual
Welcome House	15	HUD, DHS, Towns, donations, FEMA	Welcome House	Emergency Shelter	Family/ Individual
Group Home Beds	74 beds	Various	Public and Private	Renter	Various
TOTAL	485				

Sources: Rhode Island Housing, South Kingstown non-profit organizations, South Kingstown Housing Authority.

** The South Kingstown Housing Authority is currently developing a Section 8 homeownership program.

*** Habitat for Humanity has plans to build a 14-unit subdivision for affordable homeownership.

EXISTING AFFORDABLE HOUSING IN THE TOWN

See *GIS Map #5* for a graphic depiction of the location of affordable housing within the Town.

Affordable Rental Housing

The majority of existing affordable units in South Kingstown are rental units. These units are funded and administrated by a number of different sources and organizations, both public and private. In addition to the affordable housing described here, several organizations and agencies have plans to develop more affordable rental units in South Kingstown. Continued production of affordable rental housing is essential to helping South Kingstown meet the 10% affordability goal. Following is a description of existing affordable rental housing in South Kingstown.

- *South Kingstown Housing Authority (SKHA)*
 - Public Family Housing: SKHA administers 52 units of affordable family rental housing. This housing is located in two developments, both of which are located in Peace Dale. Champagne Heights, a 40-unit development, was built in 1974, and Fournier Estates, with 12 units, was built in 1990. Both developments were renovated in 1992, and at the time of this study, all units in both developments were occupied. Unit breakdown of these developments is given below.
 - **Champagne Heights: 40 units**
 - **Fournier Estates: 12 units**
 - Public Elderly Housing: Village Gardens, which provides affordable elderly housing, is also managed by SKHA.
 - **Village Gardens: 18 units**
 - Section 8 vouchers: SKHA administers 138 Section 8 vouchers, 125 of which were being used at the time of this study. The Authority's Executive Director said that high rental prices and a largely 9-month rental market make it difficult for families to find suitable Section 8 units (year-round rental is a Section 8 condition.)
 - **Section 8 vouchers: 138 vouchers**
- *Meadowbrook I*
 - The Town of South Kingstown approved the 47-unit rental housing complex in 1997-98. Rhode Island Housing financed the development of Meadowbrook I with Low Income Affordable Housing Tax Credits. Residents are low- and moderate-income families, and Section 8 vouchers are accepted at Meadowbrook I.
 - **Meadowbrook I: 47 units**
- *Meadowbrook II*
 - Like its predecessor, Meadowbrook II was also developed by Property Advisory Group, who was granted a Comprehensive Permit by the State Housing Appeals Board. The development is integrated with Meadowbrook I. This 12-unit development was completed in 2001, and funded by the U.S. Department of Agriculture's Rural Housing Program. Residents of Meadowbrook II are very-low and low-income families who pay 30% of their incomes for rent.
 - **Meadowbrook II: 12 units**

Welcome House

- Welcome House provides 15 emergency beds for homeless individuals and families in South Kingstown and surrounding towns. Welcome House also manages 3 permanent rental units for formerly homeless persons, and 4 transitional housing units. In August 2002, the non-profit agency purchased two adjoining buildings in Peace Dale at High and Church Streets, and plans to develop one building as a small grocery store, and the other as two permanent affordable housing units.

- **Welcome House:** **15 emergency units**
 3 permanent rental units
 4 transitional housing units

➤ *Peace Dale House:*

- Peace Dale House is funded through HUD's Section 202 Program for Elderly Housing. The 100-unit development has a consistent waiting list of about 70 households, and those on the waiting list can wait for 6 months to two and a half years for a unit to become available. South Kingstown residents have first priority for units in Peace Dale House. According to the development's administrator, there is a real and immediate need for affordable elderly housing in South Kingstown.

- **Peace Dale House:** **100 units**

➤ *Peace Dale Estates:*

- Peace Dale Estates is a 32-unit elderly housing development funded by the U.S. Department of Agriculture's Rural Housing Program. Residents of the development are very-low income elderly households who pay 30% of their incomes for rent.

- **Peace Dale Estates:** **32 units**

➤ *Indian Run Village:*

- Indian Run Village provides 114 units of affordable housing for elderly and disabled persons. The development is privately run and funded by HUD through Rhode Island Housing. Residents pay 30% of their gross income for rent, which generally amounts to about \$225/month. There is a 4-year waiting list for a unit at Indian Run Village.

- **Indian Run Village:** **114 units**

Affordable Homeownership

➤ *Habitat for Humanity*

- Habitat for Humanity of South County has been very vocal in expressing the pressing need for more affordable housing options in South County—including in South Kingstown. The non-profit developer has completed 7 homeownership units within the Town, and has plans to develop a 14-unit affordable subdivision. Various funding sources and sweat equity allow Habitat for Humanity to sell houses to low- and moderate-income households at affordable rates. The houses are "sold" on 99-year leases to ensure that they remain affordable for years to come, even if the first owner sells the house.

- **Habitat for Humanity:** **7 units**

- *Community Housing Corporation (formerly Action Community Land Trust)*
 - Community Housing Corporation (CHC), a non-profit developer operating in South County, has developed affordable housing throughout Washington County. CHC has developed 4 single-family affordable ownership units in South Kingstown. These units were developed using HOME money and bank loans from Washington Trust Company and Newport Federal Savings Bank.
 - **CHC: 4 units**
- *South Kingstown Housing Authority (SKHA)*
 - SKHA is interested in exploring a Section 8 homeownership program in South Kingstown. Such programs have been successful in Vermont, and the first Section 8 homeownership unit in Rhode Island is in the works. SKHA would be interested in collaborating with other area Housing Authorities and non-profits to determine how such a program could work in South Kingstown and South County.

RECENTLY APPROVED COMPREHENSIVE PERMITS:

- *Rodman Commons*

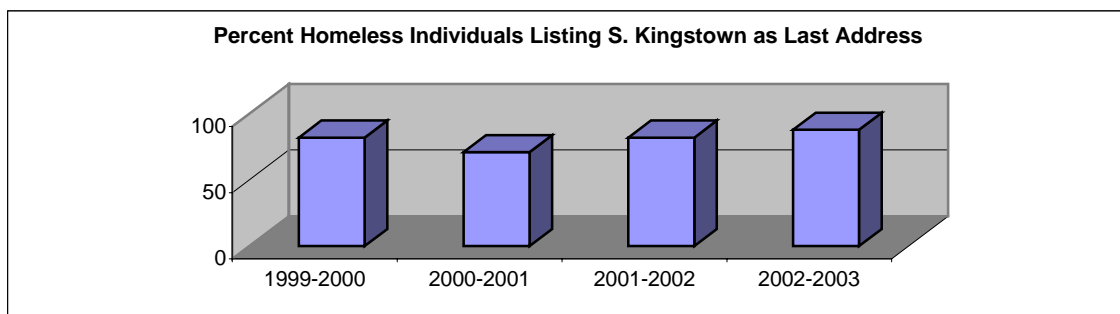
The Women's Development Corporation and the Housing Opportunities Corporation) are developing this project which was approved by the Town in May of 2004 under the provisions of RIGL Title 45, Chapter 53. The Town is permitting 53 one-bed units for low-income elderly occupancy to be constructed off Samuel Rodman Street in Peace Dale. This project is funded through HUD's Section 202 program. Construction is now underway of a 50 unit structure on the site. The Town is also working actively with WDC/HOC to site another 50 units financed under the HUD 202 program.
- *Meadowbrook Town Homes, Phase 3,*
 - This third phase of the Meadowbrook development was approved by the by the Town in April 2004 under the provisions of RIGL Title 45, Chapter 53. The Town permitted a 60- unit townhouse style development for this property located on the easterly side of Kingstown Road, (Route 108). The Town decision requires 15 of the units meet affordable guidelines, the remainder of the units will be market rate. The 15 affordable units will consist of 13 two-bedroom units and 2 three-bedroom units. The developer's of this project are now seeking to finalize their financing of the project with RI Housing and Mortgage Finance Corporation with construction to follow.

DEMAND FOR AFFORDABLE HOUSING

Clearly, a demand for more affordable housing options exists in South Kingstown. An excellent indication of this demand is the number of people on the waiting list for subsidized housing at the Town's various affordable developments. It is also important to note that a great majority of the people on the various waiting lists are South Kingstown or Washington County residents. This is especially significant because it indicates that housing in South Kingstown is becoming unaffordable even for its own working class residents. Waiting lists for affordable housing are a strong indication of the increasing demand for such housing in the Town.

Homelessness Issues

Of the total people seeking housing from the RI Emergency Shelter Program from 2002 to 2003, 88 individuals listed South Kingstown as their last residence. This is well below many other communities in Rhode Island, but is similar to other proximate communities (83 in Westerly and 55 in North Kingstown). Over the last three years, the number of homeless persons has increased from 82 people in 2000, to 71 in 2001, to 82 in 2002.



A leading cause of homelessness in the Rhode Island is the increasing prices of housing in the State. The fair market rent for a two-bedroom apartment in Rhode Island is \$668 per month (\$800 per month for apartments that are actually available), a figure that is not affordable for 38% of all rental families in the State. This lack of affordable housing in the State is consistent with the need for affordable housing in South Kingstown, discussed below.

Demand for Affordable Family Housing

The waiting list for SKHA units is by far the most extensive of the affordable housing developments in South Kingstown. At this time of this report, there were 227 households on the waiting list for SKHA housing. These households included both individuals and families. A great majority of people on the waiting list (190 households, or 83.7% of the total list) listed current addresses in Washington County and other parts of Rhode Island. The list also contained 32 applications (14.1% of the total list) from Massachusetts households, 2 from Connecticut and 1 each from Florida, North Carolina and Pennsylvania. Of the 227 households waiting for assistance from the SKHA, 110 were waiting for placement in public housing units (including 10 elderly households) and 127 were on the waiting list for Section 8 vouchers. 10 households are on both lists. Table Twelve on the following page depicts where people on SKHA waiting lists were living at the time of this study.

Table Twelve
Waiting List for Public Housing/Section 8 Vouchers
South Kingstown Housing Authority (July 2002)

Current Residence	# on Waiting List	% of State Total	% of Total Waiting List
Rhode Island	190	100.0%	83.7%
<i>South Kingstown</i>	45	23.7%	19.8%
<i>Washington County</i>	70	36.8%	30.8%
<i>Providence</i>	54	28.4%	23.8%
<i>Other</i>	66	34.7%	29.1%
Massachusetts	32		14.1%
Other	5		2.1%
<i>Connecticut</i>	2		
<i>Pennsylvania</i>	1		
<i>Florida</i>	1		
<i>North Carolina</i>	1		
TOTAL	227		

Source: South Kingstown Housing Authority, July 2002

HOUSING AFFORDABILITY ANALYSIS

- A household with an annual income of \$56,325 (median income) can afford to pay no more than \$1,408 monthly for housing expenses. This means that *households earning the median income cannot afford to purchase a house at the median sales price*, which requires monthly payments of about \$2,560 (with 10% down payment), or \$2,297 (with 20% down payment).
- A single parent working earning \$12/hr in a sales job can afford to pay no more than \$624 per month for housing expenses. This person cannot afford the average 2-bedroom apartment in South Kingstown, which costs around \$1,082/month.
- A family of four earning 80% of the median income (\$54,300/year) can afford to pay \$1,357/month for rent and utilities or the mortgage, taxes, insurance, and utilities on a \$155,000 house.
- A single person or young couple with an annual income of \$30,000 can afford to pay \$750 per month on housing expenses.

Demand for Affordable Elderly Housing

There is also a demonstrated need for housing specifically designed to meet the need of South Kingstown's elderly population. At the time of this report, there are approximately 230 elderly persons on the waitlists for the various elderly homes. At the time of the 2000 Census, 3,248 South Kingstown residents were over the age of 65. This number is up from 1990, when 2,800 residents were over 65. (The increase in the number of elderly South Kingstown residents has been proportionate to the Town's overall population

increase.) In order for South Kingstown to meet the housing needs of its elderly population—especially elderly residents with very low, low and moderate incomes—the Town and other entities will have to increase the supply of housing specifically designed for elderly persons.

At the time of this plan, there were four affordable elderly housing developments in South Kingstown, and each had a significant waiting list. Many elderly South Kingstown residents on these waiting lists have lived their entire lives in the Town, only to be priced out of the housing market upon retirement. Village Gardens is an 18-unit development owned and operated by the South Kingstown Housing Authority. At the time of this report, there were 10 qualified households on the waiting list for units in Village Gardens. The three other South Kingstown public housing developments are Peace Dale House, Peace Dale Estates, and Indian Run Village. Peace Dale House has a consistent waiting list of about 70 households for its 100 units.

Indian Run Village is located in Wakefield center and provides 114 units of affordable housing for very-low income elderly and disabled persons. Residents pay 30% of their gross adjusted income, which typically comes to about \$225 per month. Its central location affords residents access to public transportation and shopping. Indian Run has been in operation for 22 years, and over the past 5-10 years, the waiting list has grown to well over 100 households. Annual turnover at Indian Run Village is less than 10%. At the time of this study, the average wait time for a unit at Indian Run was 4 years, and the waiting list is not prioritized by town of residence or by income. Persons on the waiting list come from—in equal proportions—South Kingstown, other areas of Rhode Island, and out-of-state.

Peace Dale Estates, a 32-unit development, had a waiting list of 50 households at the time of this study. According to the Administrator of Peace Dale Estates, elderly households at the low- and moderate-income levels (\$30,700-36,200/year) often have the most difficulty being placed in affordable units. Peace Dale Estates gives priority to what they classify as very-low income households (earning less than \$30,700/year.) Very-low income households are placed in units before all others, regardless of time spent on the waiting list. This puts immense pressure on low- and moderate-income households, who often cannot afford market-rate rents in the Town, but have difficulty being placed in public or subsidized units because they exceed very-low income levels.

The significant waiting lists for affordable elderly housing speak to the need for more affordable housing in the Town. The escalating cost of living in South Kingstown has made it impossible for some elderly residents afford to buy houses or pay market-rate rents. Consequently, they must wait—sometimes up to two and a half years—for subsidized housing. South Kingstown's supply of affordable elderly housing is currently insufficient to meet the needs of its aging population, especially in this time of soaring housing costs.

CHAS Data

Another way to measure demand for affordable housing is consider data on housing problems. Every ten years HUD releases data on the nation's housing problems through its Comprehensive Housing Affordability Strategy (CHAS) Data Book. The 2000 CHAS data reveals that 1,717 (18.4%) of South Kingstown's households face housing problems, defined as spending more than 30% of income on housing and/or living in substandard conditions¹. The vast majority of those with housing problems in South Kingstown face only cost burdens, implying that substandard housing is not a major problem.

Examining the data for the low-income population (those earning less than 80% of median income), the following trends appear:

- 1,717 of 3,162 low-income households (54.3%) in South Kingstown experienced housing problems, comparable to the 54.4% of Washington County's low income households and 53% of the state's low income households which experienced housing problems.
- In South Kingstown, there are more low-income family households (680) than low-income elderly households (554). This holds true in terms of the percentage experiencing problems as well, low-income families are much more likely to experience housing problems, especially large families.
- In South Kingstown, Washington County and throughout the state, low-income homeowners are more likely to experience housing problems than low-income renters. In South Kingstown, 959 low-income homeowners experienced housing problems, compared to 758 low-income renters.
- The lower the income, the more likely it is that a household experiences housing problems. In South Kingstown, there are 507 extremely low-income households (<30% FMI) experiencing housing problems.

Therefore, in terms of meeting affordable housing needs, the Town should prioritize homeownership units, family housing, and housing targeted to those earning less than 50% of median income.

¹ Substandard conditions are defined as living in overcrowded quarters (more than 1.01 persons per room) and/or living in a housing unit without complete kitchen and/or plumbing facilities.

Table 13: 2000 CHAS Data for South Kingstown, Washington County, and Rhode Island

South Kingstown				Washington County				Rhode Island			
Total Households			9,294	Total Households			46,910	Total Households			408,381
Total Low Income Households			3,162	Total Low Income Households			17,204	Total Low Income Households			197,594
# with Housing Problems			1,717	# with Housing Problems			9,363	# with Housing Problems			105,183
% with Housing Problems			54.3%	% with Housing Problems			54.4%	% with Housing Problems			53.2%
Low Income Households with Housing Problems, by Population											
		% with problems	# with problems	% of Total		% with problems	# with problems	% of Total		% with problems	# with problems
Elderly		43.3%	554	32.3%	Elderly	52.0%	11,166	78.0%	Elderly	46.4%	33,154
Small Family		63.3%	534	31.1%	Small Family	67.4%	1,857	13.0%	Small Family	56.7%	35,339
Large Family		78.5%	146	8.5%	Large Family	66.5%	416	2.9%	Large Family	67.7%	10,443
Other		56.6%	483	28.1%	Other	65.2%	879	6.1%	Other	54.2%	26,247
Total			1,717	100.0%	Total		14,319	100.0%	Total		105,183
Low Income Households with Housing Problems, by Tenure											
		% with problems	# with problems	% of Total		% with problems	# with problems	% of Total		% with problems	# with problems
Renters		49.8%	758	44.2%	Renters	53.6%	4,408	47.1%	Renters	51.5%	60,485
Owners		63.0%	959	55.9%	Owners	60.2%	4,953	52.9%	Owners	38.0%	44,661
Total			1,717	100.0%	Total		9,361	100.0%	Total		105,146
Low Income Households with Housing Problems, by Income											
		% with problems	# with problems	% of Total		% with problems	# with problems	% of Total		% with problems	# with problems
< 30% AMI		66.1%	507	29.5%	< 30% AMI	70.3%	3,301	35.3%	< 30% AMI	70.6%	48,139
30-50% AMI		66.2%	529	30.8%	30-50% AMI	64.4%	2,983	31.9%	30-50% AMI	57.8%	30,011
50-80% AMI		42.7%	681	39.7%	50-80% AMI	39.1%	3,080	32.9%	50-80% AMI	34.9%	27,043
Total			1,717	100.0%	Total		9,364	100.0%	Total		105,193
Low-income defined as earning less than 80% of Area Median Income											
Small Family = 2-4 persons, Large Family = 5+ persons											
Source: 2000 CHAS Data Book											

AFFORDABLE HOUSING RESOURCES

The *1992 Housing Element* identified resources present in South Kingstown that could be employed in the development of affordable housing in the Town. Resources named include physical, social and financial resources, and the Housing Element recommended affordable housing applications for these resources.

Affordable housing resources present in South Kingstown today include many of the same physical, social and financial resources identified in 1992. In addition to these resources, the South Kingstown Town Council has made a commitment to promoting the development and preservation of affordable housing within the Town. This is significant because the Town Council has the ability to institute and regulate zoning mechanisms that promote and preserve affordable housing.

Furthermore, the South Kingstown Housing Authority gained a new Executive Director in June 2002, and is willing to work with the Town to promote affordable housing. Successful development of affordable housing in South Kingstown today will depend on the identification of available resources, linkages between non-profits and other development organization, and appropriate utilization of resources.

NON-PROFIT ORGANIZATIONS

South Kingstown is fortunate to have a strong network of non-profit agencies with a demonstrated commitment to affordable housing. Habitat for Humanity of South County and Welcome House have successfully developed housing in South Kingstown and have plans to continue developing such housing to meet the growing needs of residents priced out of the housing market.

Over the past several years, a coalition comprised of several South County-area non-profit organizations have been meeting to discuss affordable housing issues, and develop cross-county strategies to alleviate affordable housing pressures. Participating non-profit groups include Habitat for Humanity and the CAP Agency. This coalition has brought issues to the attention of Town and State governments, and called for sweeping and immediate changes to affordable housing policy and funding allocation. The coalition has yet to partner in the development of affordable housing, however, members are interested in working together to develop larger-scale projects in several South County towns.

Many of the non-profit organizations operating in South Kingstown also serve the whole of South County. This is important to note, because cross-town ties are important development assets. Non-profit organizations such as South County Community Action and Habitat for Humanity are looking broadly at housing issues in South County, and are anxious to identify ways that South County towns can work together on affordable housing projects that serve several towns. This method could be especially useful to organizations interested in doing large tax credit projects where 30 units are a development minimum—these 30 units could be located in a number of nearby towns, rather than concentrated in a single area.

DEVELOPABLE LAND

The availability of developable land was cited in the 1992 Housing Element as one of the most important resources in South Kingstown. Although the supply of developable land has shrunk considerably in the past 10 years, land is still a significant resource in the Town. The availability of land available for residential developments is an asset to developing affordable housing. Unlike dense, urban areas where there is little available land to develop new housing, South Kingstown is experiencing a housing boom. The Town could develop ordinances mandating that a certain portion of this undeveloped land be earmarked for affordable housing.

Table Five on page 9 depicts the amount of land available for developing in South Kingstown. The data in this table comes from a Build-Out Analysis done by the Town of South Kingstown Planning Department, as revised in November of 2004. According to the build-out analysis, there are nearly 7,931 acres of developable land in the Town, including 702 buildable acres in the Town's central villages of Peace Dale, Wakefield and Kingston.

The availability of developable land within the Town presents opportunities for the Town to effectively employ inclusionary zoning measures, like density bonuses, to encourage the development of affordable housing.

SOUTH KINGSTOWN HOUSING AUTHORITY

The non-profit South Kingstown Housing Authority (SKHA) manages 70 units of subsidized public housing in the South Kingstown and administers the Town's Section 8 voucher program, which issues 138 vouchers. Descriptions of existing affordable units managed by SKHA are found in the "Existing Affordable Housing in the Town" and "Demand for Affordable Housing" sections of this study.

TOWN COUNCIL COMMITTED TO AFFORDABLE HOUSING

By commissioning this Affordable Housing and Production Plan and amendments to address the comments arising under the State review process, the South Kingstown Town Council demonstrated their commitment to documenting and about finding solutions to the Town's affordable housing challenges. It has been well documented that municipalities that place a high value on affordable housing as part of the community are more successful in developing and administrating regulatory mechanisms to develop and preserve affordable housing.

REVIEW OF 1992 HOUSING ELEMENT

In 1992, an updated *Housing Element* was incorporated into the South Kingstown Comprehensive Plan (1986). This *Housing Element* gave a thorough, detailed account of housing conditions, trends and needs, as they existed in 1992. Goals and strategies to improve housing conditions, and accommodate impending future development were also a part of this Element.

Ten years after the Town Council adopted this Housing Element, the persistent need for quality affordable housing in South Kingstown has continued to grow. This is due, in large part, to the sustained population boom in the South County region and escalating housing prices throughout the region. This *Affordable Housing and Production Plan* pays particular attention to the growth pressures on the Town, and how they have changed in the time since the Town's *1992 Housing Element* was last updated.

A review of housing conditions, needs and strategies for improvement, from the *1992 Housing Element*, are detailed in the chart on the following page. This review became a framework for this *Affordable Housing Plan and Production Plan*. Housing conditions and needs of today were evaluated against the housing conditions and needs present in 1992, and it was determined which housing strategies have been implemented, which have not, which strategies are still relevant today, and which should strategies should be reevaluated.

REVIEW OF AFFORDABLE HOUSING STRATEGIES AND RECOMMENDATIONS FROM THE 1992 HOUSING ELEMENT		
Recommendation	Status	Remains Valid/Invalid
Create an Affordable Housing Trust Fund	Not Yet Accomplished	Remains Valid
Create an Affordable Housing Foundation to manage and administrate an Affordable Housing Trust Fund	Not Yet Accomplished	Remains Valid
Changes to the Zoning Ordinance to provide a sufficient amount of land for affordable housing development	Phase II amendment to the Zoning Ordinance permitting multifamily dwellings in R10, R20, RM, MU, CN and CD zones	Accomplished
Institute Inclusionary Zoning measures to promote affordable housing development and integration of affordable and market-rate units	Not Yet Accomplished	Remains Valid
Removal of cost-generating subdivision standards	Impact Fees have been waived for developers of affordable housing and Phasing and Pacing waivers have been granted for affordable and elderly housing development	Accomplished
Conversion of Existing Structures into affordable housing units	Accessory apartments are now permitted under a new Zoning Ordinance	Accomplished
Allow duplexes in more residential zones	Phase II Zoning Ordinance permitting duplex housing in R10, R20, RM, MU, CN, CD and CW zones	Accomplished

AFFORDABLE HOUSING ACTIONS TAKEN BY THE TOWN

In the time since the incorporation of the 1992 Housing Element into the Town's Comprehensive Plan, the Town of South Kingstown has taken significant steps to improve the affordable housing situation within the Town. These steps include reconfigurations of zoning regulations, as well as fee waivers for developers of affordable units. Specific action steps taken by the Town to encourage the development and preservation of affordable housing in South Kingstown include the following:

- The Town passed a Phase II amendment to the Town's Zoning Ordinance, which allows for the **development of multifamily dwellings, including duplexes**, in a number of residential zones where they were previously not allowed (R-30, R-20 and R10 Zones).
- **Accessory apartments** are now permitted by the Town under an amendment to the Zoning Ordinance. These apartments allow owners of (previously) single family houses to rent space in their houses or outbuildings (such as over-garage lofts) as apartments. Accessory apartments are often smaller, affordable units, and serve as a source of income for property owners, often making their housing payments more affordable.
- The Town of South Kingstown approved Meadowbrook I, 47-unit rental housing complex in 1997-98. Rhode Island Housing financed the development of Meadowbrook I with Low Income Affordable Housing Tax Credits. Residents are low- and moderate-income families, and Section 8 vouchers are accepted at Meadowbrook I.
- A **Comprehensive Permit** issued by the State Housing Appeals Board (SHAB) was used in the development of Meadowbrook Apartments II in 2001 by Property Advisory Group, a private developer. Meadowbrook II consists of 12 affordable units for low- and moderate-income households.
- The Town **waives Impact Fees** for developers of affordable housing.
- The Town also **waives Phasing and Pacing regulations** for developers of affordable housing.

AFFORDABLE HOUSING STRATEGIES

Affordable housing strategies are becoming increasingly common in cities and towns feeling the dramatic effects of soaring housing costs. South Kingstown's housing market has skyrocketed in recent years and, as a result, housing costs have become prohibitive for longtime residents and newcomers. An objective of this *Affordable Housing Study* is to identify methods currently being utilized by other municipalities to regulate and promote affordable housing development, and to determine how these methods might be employed by the Town of South Kingstown. Making provisions to encourage and preserve affordable housing is essential to achieving a diverse residential population.

During the course of research for this *Affordable Housing and Production Plan*, a number of strategies, proven effective in promoting the development and preservation of affordable housing in other U.S. municipalities, came to the forefront as potentially applicable to South Kingstown. These strategies fall under the following four "action areas":

- Build and Preserve Affordable Housing
- Gain Community Support for Affordable Housing
- Form Partnerships to Address Challenges and Develop and Preserve Affordable Housing
- Identify Funding Sources and Use Existing Resources to Develop and Preserve Affordable Housing

The diverse approaches to providing affordable housing demonstrate a national trend towards valuing a mixture of housing and populations. Recommended affordable housing strategies are essentially methodologies that cities and towns can use to regulate affordable housing development. These include the mandatory integration of affordable housing units into market rate developments, as well as mechanisms that allow public and private housing developers to contribute to affordable housing trust funds, and make other types of off-site exactions.

South Kingstown's 1992 *Housing Element* set forth a number of affordable housing recommendations based on established goals and policies. The Town has addressed many of these recommendations during the past decade. Others have not yet been implemented, but are still relevant to addressing affordable housing challenges. Likewise, many of the housing goals and policies presented in the 1992 *Housing Element* are still applicable in 2002.

CONSISTENCY WITH RHODE ISLAND STATE HOUSING GOALS AND ACTS

The State General Assembly recognized the critical need for affordable housing options for individuals and families with low to moderate incomes. In the Low and Moderate Income Housing Act (Ch. 45-53), the General Assembly declared that:

"...it is imperative that action be taken immediately to assure the availability of affordable, accessible, safe, sanitary housing for [low- and moderate-income persons;] that is it necessary that each city and town provide opportunities for the establishment of low and moderate income housing..."

The Low and Moderate Income Housing Act 45-53 provides cities, towns and developers with provisions, such as the Comprehensive Permit, for developing types of affordable housing that are consistent with local needs and zoning and land use regulations. The Comprehensive Permit encourages the development of affordable housing by streamlining the permitting process, which essentially saves the developers money. Under the Comprehensive Permit, private and non-profit developers of affordable units can file a single application for a special exception to the zoning board of review. Developers are eligible to apply for a Comprehensive Permit if at least 20% of the total number of units will be affordable selling to households at less than 80% median income, with an affordability period of 30 years. An additional requirement is that developments must be eligible for a subsidy from the state or federal government.

Previous to 2002, the Comprehensive Permit applied to rental housing developed by private and non-profit developers, and to homeownership developed by non-profits or private/non-profit partnerships. A 2002 amendment to the Low and Moderate Income Housing Act now allows private developers to apply for the Permit to develop affordable homeownership without the partnership of a non-profit organization. An additional change in the law provides for review by planning boards in cases of applications involving land development projects or subdivisions. It is expected that private developers will utilize this provision of the law to propose subdivisions utilizing the Comprehensive Permit process. If a City or Town denies the request for a special exception, the applicant may appeal to the State Housing Appeals Board. A town that has an affordable housing implementation plan will be in a stronger position to withstand appeals to the State Housing Appeals Board. As is noted above, two projects submitted under the Comprehensive Permit process per RIGL 45-53 were approved in the spring of 2004, these two permits will add 65 units of affordable housing to the Town's stock.

This Act affords Cities and Towns the flexibility to work with developers to provide affordable housing opportunities without having to make changes to the Zoning Ordinance. There are a number of examples of affordable housing developments throughout the State have utilized the Comprehensive permit process without further appeals to the SHAB.

The State Housing Appeals Board is a nine-member board, which hears appeals from developers whose requests for permits were denied by local zoning boards. The State Housing Appeals Board's final decision can either override or uphold the local board's ruling. Appeals reviews heard by the State Housing Appeals Board consider the following:

- The consistency of the local board's denial of the permit with the Town's Comprehensive Plan goals.
- The extent to which the Town meets or plans to meet the 10% affordable housing standard set by the State.
- Impacts on the health and safety of Town residents.
- Environmental protection.
- The Town's record of denying and approving permits for subsidized and unsubsidized housing.

The State's commitment to affordable housing is reflected in the Affordable Housing Strategies recommended in this plan. The Town of South Kingstown has affirmed its own commitment to affordable housing, and recommended strategies for increasing the supply of affordable housing within the Town and ensuring its long-term affordability are detailed on the following pages.

INNOVATIVE REGULATORY APPROACH: INCLUSIONARY ZONING

Inclusionary Zoning ordinances have been successfully developed and employed across the United States, from Vermont to New Mexico, and should be considered by the South Kingstown Town Council as a method for encouraging the development of affordable housing within the Town. Inclusionary zoning works as an exchange between developers and municipalities. In exchange for developing a certain number or percentage of affordable units within a larger, market-rate development, developers are given density bonuses. Granting various types of off-site exactions in exchange for developing affordable units is another inclusionary zoning method used by cities and towns to ensure the preservation of affordable housing options. Density bonusing and off-site exactions are described below.

- Density bonusing is a method whereby developers agree to sell or rent a certain number or percentage of units at rates affordable to lower income households, and in exchange, they are allowed to exceed—by a set percentage—the maximum residential density allowed by a municipality. Granting density bonuses to developers is often beneficial to the developer, who stands to earn extra money from the sale of these “bonus units.” City and town governments and residents also benefit from density bonusing: the creation of affordable housing is becoming increasingly important in places like South Kingstown where household incomes have not kept pace with rapidly escalating housing prices.

One of South Kingstown’s greatest resources is the amount of developable land available within the Town. Developable land is described in greater detail earlier in this study. The availability of such land extends the possibility for allowing density bonuses without putting excessive pressures on a limited amount of land, as might be the case in land-poor areas. The possibilities for use of density bonusing in South Kingstown are also great given the recent trends in subdivision development within the Town.

Affordable housing developed as a result of density bonusing can be either rental housing or affordable ownership units. Affordable ownership units, particularly those integrated into housing subdivisions often provide excellent opportunities for starter homes for young couples or families.

- Off-site exactions are another inclusionary zoning measure employed in cities and towns across the country. Instead of incorporating affordable units into a market-rate housing development, developers are permitted to make off-site exactions. These off-site exactions may include the payment of in-lieu of fees to an Affordable Housing Trust Fund or building affordable units in another location. Off-site exactions do result in increases in affordable housing opportunities; however, this technique is not encouraged by Cities and Towns because the resulting units are not integrated into the market-rate subdivisions. Instead, affordable units are developed elsewhere, as is common practice in many cities and towns today.

BSA surveyed ten municipalities that have inclusionary zoning ordinances to ascertain common characteristics among the ordinances and to determine how effective these ordinances are once they are in place. There are a number of generalizations that can be made regarding the techniques that existing ordinances employ to accomplish the goal of increasing affordable housing opportunities. From this survey, inclusionary zoning ordinances are mandatory, which attributes significantly to the effectiveness of these programs. There are generally no subsidies given to the developers to offset the purchase price of the affordable units. Expectedly, there has been a moderate to high level of resistance from the development community to enacting the ordinance, but this resistance has decreased over time.

These ordinances apply to both single- and multi- family projects, and in one municipality, even to commercial developments. The threshold for the number of units beyond which the ordinance is triggered varies from 4 units to 50 units, and the percentage of required affordable units fluctuates between 10% and 20%. These units are architecturally consistent with the surrounding development, and do not have different construction requirements. The affordability period for the units ranges from ten years to perpetuity. All ordinances had some arrangement for both in-lieu of fees and off-site exactions; however, a fundamental goal of an inclusionary zoning ordinance is to encourage mixed-income developments, which is not achieved by the use of off-site exactions. Inclusionary zoning ordinances work in conjunction with a housing trust fund that is either administered by a Housing Authority, a land trust, or a local non-profit.

The ordinances target between 60-100% of median income households. Most affordable unit sales are essentially brokered by housing non-profit organizations that maintain a list of eligible families to whom the properties are marketed. Non-profits can also apply to the Housing Trust Fund to help raise the necessary money for the down payment. In addition to brokering the deal, either the non-profit or the housing authority has first right of refusal should the property be put up for sale in the future, consequently ensuring affordability over the long-term.

In terms of developer incentives, density bonuses are included in all of the ordinances, but vary in the percentage that is given. There are no subsidies given to the developer; most municipalities feel that the density bonus more than offsets the purchase price of the affordable units. However, some municipalities did have a provision allowing the developer to apply for help from the housing trust fund if it could be proven that a profitable bottom line would in no way be possible without a subsidy.

It is clear that an Inclusionary Zoning ordinance could be a mechanism for increasing the number of affordable units- both homeownership and rental- in South Kingstown, and providing for their long-term affordability. Additionally, inclusionary zoning could be effectively employed by the Town to control and provide for future growth of affordable housing. However, the impacts of inclusionary zoning do extend beyond the production of affordable units. The passage and implementation of a mandatory Inclusionary Zoning ordinance in South Kingstown will have social, economic, political and infrastructural impacts on the Town as well.

The administration of an Inclusionary Zoning ordinance will involve some administrative financial costs, as well as added responsibilities and time commitments from the Town Planning Board. The Planning Board will be responsible for reviewing development applications and making decisions based on Town goals and policies. In addition, the Town and developers may face opposition from some residents who do not support housing diversity in the Town.

An Inclusionary Zoning ordinance encouraging the production of affordable units—many of which will most likely be occupied by young families—could put additional pressure on the Town's public school system. Further, increased capacity of other Town services, such as sewer service, transportation, and public waste management will also be required to support South Kingstown families living in units created under Inclusionary Zoning.

The characteristics described below should be components of a **mandatory** Inclusionary Zoning ordinance to be drafted and adopted by the South Kingstown Town Council:

- ✓ Applies to residential developments (both homeownership and rental) over 5 units (all major subdivisions or major land development projects).
- ✓ Developers are given a 20% density bonus based on original number of lots.
- ✓ 20% of the units (calculated before the density bonus) must be affordable.
- ✓ Affordable units must be architecturally similar to market-rate units.
- ✓ Affordable units can either be rented or sold to qualified households.
- ✓ To ensure long-term affordability, units that are sold will either carry deed restrictions, be held in a land trust, or have a right of first refusal by a local non-profit.
- ✓ All units shall remain affordable for a term of at least 30 years and, where possible, for a longer term.
- ✓ Households at 60-80% of median income and at 80-120% of median income (if such units can be counted toward the 10% requirements under RIGL 45-53) will be targeted for occupancy of affordable units.
- ✓ Off-site exactions will be allowed in the forms of land donation, or in-lieu fees to the Affordable Housing Trust Fund.
- ✓ The ordinance shall be structured in such a way that all affordable units created will meet the definition of affordability under the provisions of RIGL 45-53, "Low and Moderate Income Act" as revised in 2004

AN INCLUSIONARY ZONING MODEL FOR SOUTH KINGSTOWN

- A developer plans a 30-unit development with 2,400 square foot units costing \$300,000.
- A 20% density bonus is given for affordable housing, raising the unit total to 36 units.
- 20% of the 30 units (6 units) must be affordable to low and/or moderate income households (households earning 60-80% of median income, or 80-120% of median income).
- These 6 units could either be 1,200 square foot duplexes that are architecturally similar to single-family units in the development; OR smaller single-family homes located on smaller lots; OR a combination of both types of units.
- Each 1,200 square foot affordable unit will cost \$150,000. Based on current interest rates, this price is affordable for households earning 80% of median income and would count toward the 10% affordable housing standard set by the Low and Moderate Income Housing Act, as long as a Municipal, State, or Federal subsidy was used.
- HOME funds from Rhode Island Housing or funds from the Affordable Housing Trust Fund could lower the price of the units below \$150,000. This would make the units more affordable for households earning less than 80% of median income.
- South Kingstown should apply for a \$300,000 set-aside of HOME Funds from Rhode Island Housing. These funds would be used as start-up funds for the Affordable Housing Trust Fund, available for use in a case-by-case basis as development subsidies if the need exists, as resources available to use as down payments on the affordable units, or as funds to be applied for by housing non-profits for the development of affordable housing opportunities elsewhere. This program could be used by Rhode Island Housing as a model for affordable development throughout the State.
- If subsidies are not available to lower the cost of these units to affordable levels for low and moderate income households, developers would still be responsible for providing a percentage of units affordable for low and moderate income households.

Low and moderate income housing is generally defined as housing affordable to households earning up to 120% of median income. However, state and federal subsidies are generally only available for units at 80% or less of median income. The Low and Moderate Income Housing Act (Ch. 45-53) stipulates that only units receiving a federal, state, or municipal subsidy count toward the 10% goal. With the addition of municipal subsidies to the Act during the 2004 legislative session, South Kingstown can now provide local subsidies for affordable units which will count towards the 10% goal provided the units meet all the other eligibility requirements.

RECOMMENDATIONS

The recommendations are grouped into four categories:

- Build and preserve affordable housing
- Gain community support for affordable housing
- Identify funding sources and use existing resources to develop and preserve affordable housing
- Form partnerships to address challenges and develop affordable housing

At its June 17, 2003 meeting the South Kingstown Planning Board recommended that the Town Council develop a Town of South Kingstown Plan with an emphasis on implementing four of this study's recommendations. These recommendations are:

- 1) Form an Affordable Housing Collaborative
- 2) Establish an Affordable Housing Trust Fund to be administered by the Affordable Housing Collaborative
- 3) Draft and adopt a Mandatory Inclusionary Zoning Ordinance
- 4) Consider revising the Zoning Ordinance to allow for greater flexibility with regards to dwelling unit density in order to encourage the construction of affordable housing

These recommendations are explained in greater detail below.

I. BUILD AND PRESERVE AFFORDABLE HOUSING

ENCOURAGE PROGRAMS THAT SUPPORT AFFORDABLE HOUSING OPPORTUNITIES

➤ **Form an Affordable Housing Collaborative:**

An Affordable Housing Collaborative should be formed to ensure that affordable housing remains a top priority in the Town. The Collaborative will assist the Town in overseeing the implementation of the Affordable Housing Study and Production Plan. It will be responsible for monitoring the progress of the plan, and will report annually to the Town on its findings. The Collaborative may endorse affordable housing proposals which it determines are a good match to the Town's affordable housing goals and strategies. The Collaborative may also advertise for potential affordable housing locations on an annual basis. The Board will also oversee the Town's administration of the Housing Trust Fund, advising the Town on the operation of the Trust Fund and ensuring the Trust Fund is accountable to local needs.

The Collaborative shall have an appointed five person citizens Board comprised of representatives from the affordable housing community, banking, real estate, business, local community organizations (churches, charities, etc), URI and others who have an interest in affordable housing. The Board will receive staff support from the South Kingstown Planning Department and local non-profit organizations.

The Board will set priorities and establish a work program based on the Affordable Housing Study and Production Plan's recommendations and objectives. As part of their work, the Board will make recommendations on affordable housing projects and assess Plan implementation progress in a report to the Council. The Board will also conduct educational meetings in order to minimize the social stigma often associated with affordable housing projects. There will be monthly public meetings with the Board so that Town government and the community can be involved in the long-term agenda of the Collaborative. The Collaborative will work with local non-profits to maximize available resources for affordable housing and be a leading resource for non-profits.

The Collaborative is not a legislative body, and is not intended to replace the existing Planning Board or Planning Department. Instead, the Collaborative is a local resource, acting as an advocate and catalyst for affordable housing development and ensuring this issue remains a priority for the Town of South Kingstown. If at some future point the Collaborative and the Town determine that a more independent affordable housing entity is needed, they could work together to develop an Affordable Housing Foundation that would have greater powers and responsibilities.

Financial costs associated with the Affordable Housing Collaborative should be minimal. Administration of the Collaborative need not involve hiring staff, as existing staff of the Town and/or non-profit organizations would manage operating responsibilities. Thus, the only cost of administration of the Collaborative would be in the form of time commitment responsibilities of Town staff and/or non-profit staff.

The South Kingstown Town Council appointed a seven member "Affordable Housing Collaborative" in August of 2004. The Collaborative has begun meeting on a monthly basis and has been involved as a reviewing body relative to the update and revisions to this plan.

➤ **Establish an Affordable Housing Trust Fund to be Administered by the Town**

An Affordable Housing Trust Fund will be established to receive and manage funds for affordable housing development and preservation. The Affordable Housing Trust Fund will serve as a central clearinghouse for funding affordable housing developments. The Trust Fund would accept, manage and disperse funds to non-profits and private developers interested in developing affordable housing within the Town. Funds from HOME, CDBG, off-site exactions, in-lieu fees, private contributions, charitable donations, seasonal rent tax, private foundations, land donations and developer impact fees could all be deposited and dispersed from the Trust Fund. The Trust Fund would be administered by the Town, through the Planning Department. The Affordable Housing Collaborative Board would serve as an oversight board, advising the Town on the operation on the Trust Fund and ensuring the Trust Fund is accountable to local needs.

The Trust Fund could provide subsidies for individual homeownership units in inclusionary zoning developments or at scattered sites, or offer downpayment and closing costs assistance. The Trust Fund could finance feasibility studies and pre-development costs. Funds could also be dispersed for competitive grants to non-profits for program development and community outreach along with gap financing for rental and homeownership development.

➤ **Create a Program to Provide Funds for Community Based Non-profits for Operating and Administrative Costs:**

In order to ensure that non-profit housing developers are able to maintain their programs and remain viable affordable housing developers in South Kingstown, the Town should specifically request CDBG funding from the state to provide operating funds for these organizations

EXAMINE REGULATORY TECHNIQUES THAT SUPPORT AND INCREASE AFFORDABLE HOUSING OPPORTUNITIES

➤ **Draft and Adopt a Mandatory Inclusionary Zoning Ordinance:**

The Town of South Kingstown will draft an Inclusionary Zoning Ordinance that would mandate the provision of affordable units in subdivisions larger than 5 units. In exchange for creating the affordable units, the developer would receive a density bonus of 20%. Inclusionary zoning will provide opportunities for persons seeking affordable housing that would otherwise not be available. Most of the units within subdivisions would be located primarily in the outskirts of the Town, where larger tracts of land are available for the development of major subdivisions comprised of more than five units. Inclusionary zoning will also apply to multi-family rental and condominium developments. Inclusionary zoning ensures that with each new larger development, a percentage of affordable units will be developed. As noted above legislation from the 2004 session of the General Assembly allow units created through an inclusionary zoning ordinance to be counted toward the 10 % affordable housing goal.

The Town currently allows 160 residential permits per year. Therefore, at a maximum, inclusionary zoning in subdivisions could theoretically provide 32 units of affordable housing each year. However, the actual number of affordable units built each year is likely to be less, because the proposed model for the inclusionary zoning ordinance would be applicable to major subdivisions (more than 5 units) and major land development projects and permits for larger subdivisions may be spread out over several years.

As noted above legislation from the 2004 session of the General Assembly allow units created through an inclusionary zoning ordinance to be counted toward the 10 % affordable housing goal.

➤ **Revise the Impact Fee Ordinance to only allow waivers when the long term affordability restriction is for a minimum of thirty years.**

Currently, the Town waives its impact fee requirements for affordable housing developments with Long Term Affordability restrictions of at least ten years. The Town will revise this ordinance to require at the minimum a thirty year long term affordability restriction in order for a project to receive an impact fee waiver. This change will allow projects with an impact fee waiver to be counted towards the Town's 10% affordable housing goal.

➤ **Use Comprehensive Permits as a tool for affordable housing development at sites identified in the plan and at sites not yet identified as appropriate for affordable housing development.**

Comprehensive permitting provides flexibility and allows a Town to negotiate with developers to reach an agreement acceptable to both parties. The Town can offer a density increase or other incentives in exchange for a percentage of the development being set aside for affordable housing. The Town may designate certain sites as suitable for affordable housing development. The Comprehensive Permit allows the Town to increase the density allowed at these sites without rezoning or spot zoning each site.

- **Negotiate Comprehensive Permit Density Increases with Housing Developers.**
The Town wishes to keep the density increases given to Comprehensive Permit applicants within the hierarchy of the current zoning ordinance. The Town will work with developers to permit density increases of "one step" for comprehensive permit applications. For example, an R-10 parcel (10,000s.f./4.35 units/developable acre) that is the subject of a comprehensive permit would be allowed to have the density of the RM district (7.71 units/developable acre). The density bonus will vary depending on the percentage of low-moderate income units proposed by the developer. Among other things, any density bonus will be contingent on the suitability of the parcel, project design, and the parcel's relationship to supporting infrastructure.
- **The Town will Evaluate Revising the Zoning Ordinance to Allow for Greater Flexibility with Regards to Density and Lot Size in Order to Encourage the Construction of Affordable Housing:**
Currently, through its Flexible Development Residential Project (FDRP) ordinance the Town allows for significant flexibility in the density of certain residential developments which encourage the preservation of open space, historical, and archeological resources. For example, in the R-40 district, FDRP's can be constructed with homes on lots as small as 10,000 s.f. Allowing these reductions in lot sizes and increases in density for single-family housing is a technique that has been shown to reduce residential development costs. The existing FDRP program will work in concert with the inclusionary zoning ordinance proposed by this plan.
- **The Town will Evaluate Expanding the Range of the RM and R-10 Districts to Further the Available Opportunities for Affordable Housing Development.**
The Town went through a significant rezoning effort in 1999. This rezoning increased the density in the areas surrounding the Town Centers. The Town will review the zoning boundaries as established in 1999 to determine if it is feasible and/or appropriate to expand the RM and R-10 zoning districts.
- **Consider Amending the Residential Design Standards to Encourage the Use of Innovative Technology in House Design and Construction to Lower the Costs of Construction:**
The Town of South Kingstown should consider amending the design standards for single-family homes to encourage the use of appropriate technology applications in housing design and construction. The Community College of Rhode Island (CCRI) is launching a new Construction Code and Advanced Building Technologies certificate program to educate the building community on new technologies such as insulated foundation blocks, grooved flooring systems and structural insulating panels. The Town should stay abreast of new building technologies and encourage developers to utilize them. The Town should also consider offering incentives for those developments that utilize government rebates and energy star technology as a method of encouraging conservational development and long-term sustainability.

LOCATE AFFORDABLE HOUSING IN APPROPRIATE AREAS

➤ **Creation of Affordable Housing Units should be Located in Town Centers and as Part of Subdivisions:**

Location of affordable housing development is categorized into two categories: (1) In town centers via new rental and owner-occupied housing and rehabilitated housing; and (2) As part of subdivisions via inclusionary zoning.

Town Centers

Affordable housing development should take place in town centers such as Peace Dale and Wakefield because these areas provide opportunities for the rehabilitation of older existing housing and infill development. Rehabilitation of existing units adds to the supply of affordable housing without significantly increasing the number of units in town. Rehabilitation in these areas could include apartments, duplexes and single-family units to provide a larger range of housing options. For example, mixed-use zoning could be used to renovate second and third floor apartment units above first floor businesses.

A preliminary analysis of the Commercial Downtown zoned areas within Wakefield and Peace Dale indicates the potential to rehabilitate, convert, or construct at least 100 upper story affordable units in these Commercial Downtown areas (more detailed information on locations can be found in the Location Summary Chart on the following page).

The Town can provide suggested criteria for the development of these units, such as sidewalks, access to public transportation, proximity to services and retail shopping centers and access to public water and sewer services. Funding for development could come from HOME and other RIH funding programs, as well as federal Low Income Housing Tax Credits.

Housing Corridors

Within the Town centers of Wakefield and Peace Dale, the Town has identified the following corridors which contain housing in need of rehabilitation:

- Rodman Street Corridor
- Columbia Street and River Street Corridor (including Church Street to Railroad Street)
- High Street Corridor (including Church Street to Railroad Street)
- Kingstown Road Corridor (from Rodman Street to Curtis Corner Road)

There are over 300 housing units located along and around these corridors. Housing in these corridors could be rehabilitated and added to the Town's affordable housing stock in several ways. Non-profits can purchase and rehabilitate homes and then sell them for affordable homeownership, the current homeowners could take advantage of larger CDBG and HOME money grants to rehabilitate their homes in exchange for a Long Term Affordability restriction, and homes could be rehabilitated as rental housing through a variety of programs, including the state's Low Income Housing Tax Credits.

The Town will encourage rehabilitation of the housing along and around these corridors. Affordable housing development has been shown to be a powerful neighborhood revitalization tool. Assuming that non-profit organizations alone were able to purchase at least 15% of them and resell them for affordable homeownership, these targeted corridors would generate at least 45 new affordable units for the Town.

Duplexes

As a result of the rezoning process completed in 1999, the Town now permits duplexes by right in several zoning districts whereas previously, a special permit was required. The Town has not seen large numbers of homeowners creating duplex units as a result of this zoning change; however, as part of its effort to create more affordable housing in the community, the Town will work with the Affordable Housing Collaborative to publicize the duplex option to homeowners in the relevant zoning districts. Also, to provide incentive for homeowners who create a deed restricted affordable duplex unit, the Town will consider limiting the taxes on the affordable unit to 8% of the gross income received from the unit. The Town will also look to use CDBG and HOME funds to reduce the costs of construction and rehabilitation for duplex units whose owners agree to place a long-term affordability restriction on the duplex.

A preliminary GIS based analysis of the districts where duplexes are allowed by right indicates that there are 969 lots which could support a duplex. Of these lots the Town estimates that 20% will be converted into duplexes over time, resulting in 194 duplexes. Of these new duplexes, the Town further anticipates that 25% will be developed as affordable units yielding approximately 48 new affordable housing units for the Town. These duplexes will be located throughout the town, in the town centers, along the identified housing corridors and throughout the rest of the Town as well.

Accessory Apartments

As part of the Town's rezoning process in 1999, accessory apartments served by public water and sewer are now allowed by right in all zoning districts excepting the R-200 district where a special use permit is required. Since this zoning change, the Town has been averaging 15 accessory units per year. The Town expects this trend to continue and even increase over time. In 20 years, this would generate at least 300 accessory dwelling units for the Town. Assuming 20% of those accessory units were affordable; this would generate 60 new affordable units for the Town.

The Town will work with the Affordable Housing Collaborative to publicize the accessory dwelling unit option to homeowners in the relevant zoning districts. Also, to provide incentive for homeowners who create a deed restricted affordable accessory dwelling unit, the Town will consider limiting the taxes on the affordable unit to 8% of the gross income received from the unit. The Town will also look to use CDBG and HOME funds to reduce the costs of construction and rehabilitation for accessory dwelling units whose owners agree to place a long-term affordability restriction on the unit.

Inclusionary Zoning

Affordable housing should be incorporated into new subdivisions via inclusionary zoning, as discussed in the earlier section on Inclusionary zoning. Much of this development will take place outside of town centers, where larger tracts of land are available and proposed subdivisions contain 6 or more units. Inclusionary zoning in subdivisions provides opportunities for persons seeking affordable housing that would otherwise not be available.

Potential Affordable Housing Locations

The following chart identifies areas and locations that the Town feels are generally appropriate for affordable housing developments. The chart summarizes the anticipated production of affordable housing from the present day to the year 2025. It should be noted that, although specific sites are identified as suitable for affordable housing development, actual construction or conversion of these sites for such use is dependent on a number of factors. These factors include but are not limited to, willingness of the owner to proceed with an affordable housing development, site constraints, the proposed project's compatibility with the surrounding neighborhood, and the availability of programs and financial assistance to make individual projects feasible.

Potential Location Summary Chart

Location	Current Zoning	Zoning Needed	Total Units*	Affordable Units
<i>Inclusionary Zoning</i>	Varies	Same	2240	448
<i>Duplexes in core area</i>	Varies		194	48
<i>Accessory Dwelling Units</i>	Varies	Same	300	60
<i>Scattered Rehabilitation</i>	Varies	Same	300	45
High Street Corridor				
Rodman Street Corridor				
Columbia Street Corridor				
Kingstown Road Corridor**				
<i>Peace Dale</i>				
Green Street (AP 49-1, Lot 141)	CD		12	12
Railroad Street (AP 49-4, Lots 141, 172)	IND-1***		36	9
<i>Wakefield</i>				
Main Street (AP 56-3, Lot 40)	CD	Same	3	3
Main Street (AP 56-3, Lot 47)	CD	Same	15	15
Columbia Street (AP 57-1, Lot 175)	CD	Same	6	6
Main Street (AP 57-4, Lot 171)	CD	Same	12	12
Main Street/Woodruff Ave (AP 57-1, Lot 53)	CD	Same	5	5
Main Street (AP 57-4, Lot 200)	CD	Same	5	5
Commerical Highway District (Dale Carlia Corner & Vicinity)	CH***	Mixed Use	50	25
Other 2nd and 3rd Floor Conversions	CD	Same	50	25
<i>Route 1 Special Management District</i>				
Rt. 1 SMD South Portion	SMD	Comp. Permit	74	15
<i>Other Sites</i>				
Palisades Mill (LIHTC)	IND-1***	Mixed Use	50	10
Brandywyne "Senior Residential Community" (AP 24, Lots 7,8, 10)	R-40	Pending. Comp. Permit	45	9
Housing Authority Expansion (AP 48-1, Lot 8)	GI		35	35
Samuel Rodman St. (WDC)	R-20	Comp. Permit	50	50
Meadow Brook Phase III	RM	Comp. Permit	60	15
Old North Road (AP 16-4, Lot 4)	R-40	Comp. Permit	14	14
Park Ave (AP 92-2, Lot 184)	R-20	Exist. Non. Conf.	8	3
Church Street (AP 49-4, lot 158, AP 48-3, lot 144)	RM	Master Plan Approved 5/02	28	28
	Total Units Identified		3592	
Total Affordable Units Identified				897
Total Affordable Units Required				826
*Potential units based on preliminary site analysis, buildout of each site will be specific to each development proposal.				
** Runs approximately from Rodman Street to Curtis Corner Road (excluding Meadowbrook Development)				
*** Zoning amendment required to allow residential use in this zone.				

AFFORDABLE HOMEOWNERSHIP OPPORTUNITIES SHOULD BE DEVELOPED AND EXISTING HOUSING PRESERVED

➤ **Continue to Support Non-profit Organizations in Developing Affordable Homeownership Units and support new local or regional non-profits:**

Affordable housing development is fundamentally dependent on the strength of non-profit housing developers. Although South Kingstown has had strong non-profit developers in the past, the Town and the Housing Collaborative should work on strengthening existing CDCs, or possibly encourage the development of a new local or regional CDC that will focus on the development of affordable housing opportunities in South Kingstown. As suggested above, CDBG funding should be used to support non-profit affordable housing developers, financing their operating costs. The Town will encourage non-profits to develop affordable homeownership units throughout the Town, with an emphasis on the housing corridors mentioned above.

Non-profits should be encouraged to build a minimum of five units of affordable homeownership per year totaling a minimum of 25 units over five years.

➤ **Utilize CDBG and HOME funds to create a program that provides Closing Cost and Down payment Assistance for Affordable Housing Buyers:**

The Town should apply annually for CDBG and HOME funds to provide down payment and closing cost assistance for eligible homebuyers.

The Town should provide up to \$5,000 in assistance to eligible homebuyers.

➤ **Work with the South Kingstown Housing Authority to Develop Affordable Homeownership Housing Through the Section 8 Program:**

The South Kingstown Housing Authority is developing a program to provide homeownership through the Section 8 program. The Section 8 homeownership program uses a land trust model where entities administering Section 8 vouchers "sell" land and/or houses on a 99-year lease to qualified households. Section 8 vouchers are put toward mortgage payments. The South Kingstown Housing Authority is currently working to complete two Section 8 Homeownership projects. This program should be further developed and expanded. The Housing Corridors located within the Town Centers are an ideal place for families with Section 8 vouchers to purchase homes as they are located close to services such as schools, banks, and public transportation.

➤ **Fund the Rehabilitation of Older and Substandard Housing for Affordable Occupancy:**

Nearly 20% of South Kingstown's housing stock was built before 1939, and subsequently, there are many houses in the Town today that are in need of renovations and rehabilitation. Through the identification of the Housing Corridors the Town has acknowledged the need for rehabilitation of some of its older housing stock.

By identifying these Housing Corridors as potential rehabilitation projects, the Town is concurrently encouraging infill development in South Kingstown.

➤ **Support For-Profit Developers to Provide Affordable Housing Units Within New Subdivisions:**

Through the Inclusionary Zoning Ordinance, private developers will be developing affordable units in subdivisions comprised of more than five units. The Town should support these developers and look into funding subsidies to help ensure housing affordability if the need exists.

AFFORDABLE RENTAL OPPORTUNITIES SHOULD BE DEVELOPED AND EXISTING HOUSING PRESERVED

➤ **Use Federal Housing Tax Credits (LIHTC) to Create and/or Rehabilitate Affordable Family Rental Housing in South Kingstown:**

The Town should work with both non-profit and profit developers to create affordable family rental units using the Low Income Housing Tax Credit program through Rhode Island Housing. The LIHTC program works in coordination with other funding programs and provides substantial project funding for low- and moderate- income developments. LIHTC could be used in scattered site developments such as infill development or the rehabilitation of apartment units above businesses in village centers. LIHTC could also be used along with inclusionary zoning to create affordable housing in new subdivisions. The 2nd and 3rd floors of Town Center businesses are an ideal location for LIHTC projects, as are the Housing Corridors identified by the Town.

The Town should look to create 100 rental units over the next five years.

➤ **Fund the Development of Housing for Elderly Persons:**

At the time this plan was being developed, there were approximately 230 elderly persons on the waitlists of the various elderly homes. There are four established homes in the South Kingstown area; however, these are not meeting the demand for affordable elderly housing. The South Kingstown Housing Authority should work with elderly housing providers to utilize Federal 202 funds and USDA funds to create additional housing units for the elderly persons living in South Kingstown. The location and density of these developments should meet the Town's criteria for this target population.

The Town should work with non-profits to develop two HUD 202 projects, creating a total of 100 units for elderly persons.

➤ **Use Federal and State Historic Tax Credits to Create and/or Rehabilitate Affordable Housing in Designated Historic Districts:**

The Town should determine if construction or rehabilitation of affordable housing should occur in areas of Town designated as State or Federal Historic Districts. Currently four areas in South Kingstown are designated as State/Federal Historic Places: Kingston Village, Peace Dale, downtown Wakefield and Usquepaugh. These areas contain ideal locations for rehabilitation and the creation of apartment units above businesses or in larger residential structures. Tax Credits are available for affordable housing development/redevelopment in historic areas. The State and Federal Historic Tax Credits programs are described in greater detail in Appendix A.

As historic buildings enter the market, the Town should be prepared to work with non-profit developers to rehabilitate these buildings to create affordable housing.

DEVELOP AFFORDABLE HOUSING OPPORTUNITIES FOR THE HOMELESS AND RESIDENTS WITH SPECIAL NEEDS

➤ **Fund the Development of Emergency, Transitional, and Permanent Housing for Homeless Persons:**

There is a demonstrated need for more emergency and transitional housing for South County's growing homeless population. A number of South Kingstown agencies provide services—some including housing—to homeless persons. Welcome House, the Women's Resource Center, Warm Shelter and Crossroads are among these service providers. The Town should work with these organizations to ensure that funds are allocated for emergency and transitional housing, based on changing needs for such housing in the Town. Funds from the Affordable Housing Trust Fund should be allocated to meeting the affordable housing needs of South Kingstown's homeless population.

The Town should support applications for affordable housing and special programs in general for the homeless. The Town should work with non-profits to develop 10 units over five years.

➤ **Fund the Development of Affordable Housing for South Kingstown's Disabled and Special Needs Population:**

The Town should monitor the housing needs of the disabled and special needs population, and ensure that adequate funding is available for affordable housing for this population. Special needs residents include persons with mental and developmental disabilities, as well as persons with physical disabilities. Affordable housing for disabled persons should provide appropriate supportive services and opportunities for independent living. The Section 811 Program through the U.S. Department of Housing and Urban Development has been successful in developing group homes, congregate living, and other types of housing for disabled persons in other areas of the State, and the Town should work with agencies serving disabled persons to determine how this program could be effective in South Kingstown.

The 1992 *Housing Element* described the steps taken by the Town to provide safe, secure, quality affordable housing for the South Kingstown residents with special needs. Housing for persons with special needs is provided through the South Kingstown Housing Authority, Peace Dale House and Indian Run Villages, all of which feature units with appropriate facilities and/or services. However, there is a persistent need—growing as the Town grows—for more units of affordable housing for persons with special needs. The Town should continue to work with HUD, the South Kingstown Housing Authority, and with area housing developers to fund and develop more special needs housing.

The Town should support applications for 811 programs. The Town should work with non-profit developers to create up to 20 '811' units over 10 years.

IMPROVE AND MAINTAIN THE TOWN'S EXISTING HOUSING STOCK

Improve and Maintain Existing Housing Stock through Enforcement of the Town Building Code:

The Town's Building Code should be enforced to the greatest extent possible given the passive nature of the law. By strictly enforcing the Town Building Codes, landlords and homeowners will have an incentive to maintain their homes and preserve the Town's housing stock.

➤ **Continue to Assist Eligible Homeowners with Home Repair:**

The Town currently assists income-eligible homeowners with home repair through the South Kingstown Housing Rehabilitation program. Low and moderate income homeowners are eligible to receive assistance in updating electrical, plumbing and heating systems to bring their homes up to the Town Building Code. This program is funded through CDBG dollars, and currently serves 10-12 units per year. The Town should continue this program and expand it if possible. The scope of work funded could be expanded to include lead abatement, property maintenance, and energy conservation. Repairs could be accomplished in coordination with South County Community Action, who already provides a number of social services to South Kingstown residents.

➤ **Ensure that Affordable Housing in the Town is Safe and Sanitary:**

The Town should mandate that its Building Inspector inspect all subsidized affordable housing units before new residents move in to ensure that conditions meet Town health and safety codes as well as the subsidy program's standards.

II. GAIN COMMUNITY SUPPORT FOR AFFORDABLE HOUSING

➤ **Encourage Mixed-Income Subdivisions as a Way to Minimize the Stigma Associated with Affordable Housing:**

Often, affordable housing is associated with negative activities such as violence, drugs, gangs, unemployment, and lowering area property values. The negative stigma attached to affordable housing developments is largely unfounded, and the Town should work with developers to integrate affordable units into market-rate developments. Integration of mixed-income units and families will minimize the stigma often associated with affordable housing.

➤ **Conduct Educational and Informative Programs to Raise Awareness About Affordable Housing:**

In order to further minimize the stigma associated with affordable housing, and to reiterate the need for more affordable housing within the Town, an educational program should be developed for the Town Council and other interested parties. Further, the people of South Kingstown should have access to information about affordable housing, such as an information clearinghouse and/or data base on affordable rental and homeownership opportunities. Residents should be able to discuss the issue openly and regularly with the Town Council and local affordable housing developers.

➤ **Seek Out Untapped Community Support for Affordable Housing:**

The Town should seek the support of private residents, churches, businesses, and all area non-profit organizations for affordable housing. Together, a coalition of affordable housing advocates will be able to lobby more effectively for funding and Town ordinances supporting affordable housing projects.

III. IDENTIFY FUNDING SOURCES AND USE EXISTING RESOURCES TO DEVELOP AND PRESERVE AFFORDABLE HOUSING

➤ **Ensure that Other Sections of the South Kingstown Comprehensive Plan Support Affordable Housing:**

The Town's goals and policies on transportation, employment, and other elements of the Comprehensive Plan influence the success of affordable housing developments within the Town. In order to guarantee that affordable housing remains viable in South Kingstown, the Town should review the South Kingstown Comprehensive Plan and ensure that the various aspects of the Plan are supportive of affordable housing development and preservation.

➤ **Maintain an Updated Database of Housing and Households Trends and Housing Needs in the Town:**

Data from 1990 and 2000 U.S. Censuses provided valuable information about changing housing and household trends in South Kingstown over the past decade. The Town should build a housing database based on this Census data in order to keep current on year-to-year changing housing needs.

➤ **Purchase Available Land in the Town for Affordable Housing Development:**

The amount of developable land in South Kingstown is one of the Town's greatest assets, and the Town should determine the location of available land zoned for residential use, and determine the feasibility of purchase for affordable housing development. An Affordable Housing Collaborative could assist the Town in administering the development of affordable housing on this land.

➤ **Seek Donations of Land for Affordable Housing Development:**

The Affordable Housing Collaborative will seek donations from area organizations churches, the University of Rhode Island, or private individuals which are willing to donate land for affordable housing development. The Affordable Housing Collaborative will also assist the Town in administering such donations and the subsequent development of affordable housing.

➤ **Ensure that the Town Allocates Funding Each Year for Affordable Housing Development: Make Affordable Housing Development a Town Funding Priority**

Lack of funding for affordable housing development is the major obstacle facing non-profit developers throughout the State, and South Kingstown is no exception.

South Kingstown's annual budget includes allocation of funds for private, non-profit service agencies. Non-profit housing developers should be included in these allocations.

The South Kingstown Town Council might also consider allocating funding from the annual CDBG request specifically for affordable housing development. This money could be given to an Affordable Housing Trust Fund, donated directly to individual non-profit developers, or it could be given to a coalition of non-profit developers working together to develop and operate more affordable units within the Town. Allocation of this money could be performance-based.

➤ **Look to Inactive Mill Buildings for Adaptive Reuse as Affordable Housing:**

South Kingstown's central villages—Wakefield, Peace Dale and Kingston—have industrial histories witnessed today by a number of vacant mill buildings. There are successful examples of the redevelopment of mill buildings for housing throughout the country. Mill buildings can be converted into mixed-use, mixed-income developments. Developers should evaluate the potential of South Kingstown's mills to be redeveloped and rezoned for affordable housing occupancy.

➤ **Fund Rehabilitation and Preservation of Existing Affordable Units:**

Preserving South Kingstown's existing housing supply is just as important as creating new affordable housing. A number of funding sources exist for use in the rehabilitation of existing affordable units. These include HOME funds and Low Income Housing Tax Credits (see Appendix A for a more detailed list of potential funding sources.) The Town should work with landlords, non-profit developers, and homeowners of affordable units to identify properties in need of repair, and then identify appropriate funding sources for these projects. The Community Development Block Grant (CDBG) Program is a major funder of housing repair and rehabilitation, and local financial institutions often provide low-interest loans for repairing affordable housing within the community. The Town should look to these sources, as well as others (described in Appendix A) for ways to ensure the preservation of safe, quality affordable housing.

➤ **Continue to Utilize Existing Programs to Fund Development and Preservation of Affordable Housing:**

Many programs exist, both on State and Federal levels to fund affordable housing development projects. The Town of South Kingstown has utilized a number of these programs in the past, and should continue to employ them to develop and maintain affordable housing. These funders and programs are described in Appendix A.

IV. FORM PARTNERSHIPS TO ADDRESS CHALLENGES AND DEVELOP AFFORDABLE HOUSING

➤ **Create A Coalition of Non-Profit Developers to Develop Affordable Housing Within the Town:**

A number of non-profit organizations developing housing throughout South County have expressed an interest in collaborating on larger-scale affordable housing projects. One of the biggest challenges facing these non-profits is the difficulty in financing affordable housing development for projects with fewer than 30 units.

➤ **Encourage Partnerships Between For-Profit and Non-Profit Developers:**

Collaborations between private, for-profit developers and area non-profit developers should be encouraged to develop more affordable housing within South Kingstown. In particular, such a partnership could be effective in developing an affordable housing subdivision as a demonstration program for other cities and towns.

➤ **Partner with the University of Rhode Island to Address Shared Housing Challenges:**

According to 2000 Census data, South Kingstown had 5,840 residents enrolled in college or graduate school. It can be assumed that a significant number of these students were attending the University of Rhode Island (URI), which has its main campus in Kingston. At the time of this study, URI had 4,086 beds in 18 residence halls and three apartment buildings, with an additional 91 students housed in University-leased buildings (Source: University of Rhode Island). While the University provides campus housing for many of its students, a large number choose to live off-campus in South Kingstown or nearby Narragansett. Other students are forced to seek off-campus housing due to a shortage of on-campus housing. This puts tremendous pressure on the housing market—especially the thriving 9-month rental market in the Town.

URI has recently taken steps to alleviate housing pressures for its students, and for housing in the Town in general. URI has a two-phase plan to build more residence halls and apartments for students. Phase I calls for 500-800 beds in Student Apartments, and Phase II calls for 700-1300 suite-styled beds for upper-level students. URI anticipates that Phase I of this plan will be completed in June 2004. The Town should meet regularly with URI to discuss mutually beneficial ways to alleviate housing pressures in the Town.

REACHING THE 10% AFFORDABLE HOUSING GOAL

According to Rhode Island Housing's calculations, 485 (5.07 %) of South Kingstown's 9,565² total housing units are affordable. The Town of South Kingstown has established a building permit cap with a maximum of 160 permits per year. However, the Town has been averaging 177 (some building permits are exempt from the cap) permits a year for more than a decade. Assuming 177 permits per year, South Kingstown will have 11,335 housing units when the next Census count is taken in 2010. To reach the 10% housing goal by 2025, South Kingstown will need to have 1,311 affordable units. This means South Kingstown will need to add 826 affordable units in the next twenty years, or approximately 41 affordable units per year.

In furtherance of the discussion above, the following table depicts a twenty-year timeframe (to 2025) for the Town of South Kingstown to reach the 10% affordability goal for municipalities established in RIGL 45-53, as amended. Such a timeframe to achieve this goal is felt to be realistic and attainable given the current and anticipated level of subsidy based resources and programs to support affordable housing on the State and Federal level. It also recognizes recent building trends, market conditions and enacted programs for growth management here in South Kingstown. In the original version, the study identified a 10-year compliance with the 10% goal for affordable units; this timeframe was cited during the review of the document by State reviewing agencies as "overly optimistic".

As a component of the South Kingstown Comprehensive Community Plan the Town is required under State law to periodically (every five years at a minimum) review, evaluate, and update its Affordable Housing Production Plan. This type of review and evaluation will permit this plan to be refocused, adjusted, and modified as the parameters around this issue evolve and change. It will also afford the community the opportunity to evaluate our performance on the issues and change the programs, policies, time benchmarks, etc., accordingly. If, for example, new state and federal resources emerge or existing programs are more fully funded it may be possible and desirable to shorten the compliance timeframe noted in the following table. The Town also has the ability to conduct more frequent evaluations and reviews of our progress toward the goal of affordable housing production and development. In this regard it may be prudent that the Planning staff conduct an annual review of progress in cooperation with the Affordable Housing collaborative. This type of report would be of utility to the Town Council and Planning Board if changes or revisions to the plan are necessary.

The recommendations in the previous chapter establish a clear, implementable plan for reaching the State's 10% affordable housing goal. This plan is summarized in the table on the following page.

As the table shows, if South Kingstown implements this plan it will meet the 10% goal in 2025.

² The Rhode Island Housing count does not include seasonal units.

Progress Toward the 10% Goal Over Time*

	2004	2010	2015***	2020	2025***
Total Housing Units**	9,565	11,335	11,335	13,105	13,105
10 % Requirement	957	1,134	1,134	1,311	1,311
Number of Low-Mod Units (2004 existing + new proposed by plan)	485	691	898	1,104	1,311
% Low-Mod:	5.07%	6.10%	7.92%	8.43%	10.00%
If South Kingstown were to meet the 10% goal in this year, the number of additional low-mod units needed would be	472	442	236	206	0
Type of Housing	Total by Type				
Housing for Families (Rental and Homeownership)	82	82	82	82	327
Housing for the Elderly (Rental and Homeownership)	67	67	67	67	267
Rental Housing for Individuals and Special Populations	58	58	58	58	232
Total New Units:	206	206	206	206	826

*** The number of housing units has been calculated from the July 2004 RIH Low-Mod Chart which does not include seasonal units, with an estimate of 177 building permits (for both single and multi-family units) per year to achieve the 2010 and 2020 housing unit estimates. The annual building permit estimate was calculated based on the average number of building permits per year for the last 12 years in South Kingstown.*

****The 2015 and 2025 housing unit estimates reflect the 2010 and 2020 numbers as Rhode Island Housing only updates a Town's housing unit numbers every 10 years.*

It is essential that there be a nexus between the type and amount of affordable housing proposed by this study and the affordable housing needs of the Town of South Kingstown. As the housing needs discussion, especially the review of the 2000 CHAS data, suggests, the Town should prioritize affordable family homeownership units, family rental housing, and housing targeted to households earning less than 50% of median income. However, the proposed development must be feasible given the availability of funding resources, buildable land and committed developers.

This plan proposes 826 affordable units over the next twenty years. Of the 826 units, 327 will be family units, 267 will be units for the elderly, and 232 units will be constructed for individuals and special needs populations. It is estimated that approximately one half of the family units would be for affordable home ownership. Currently South Kingstown only has 11 affordable homeownership units, so this would substantially increase the number of affordable homeownership units in Town. All of the proposed units will be affordable to households earning less than 80% median income, and many will be affordable to households earning less than 50%.

Action Table

The following Action Table summarizes the Planning Recommendations from the previous section. The Action table outlines the time frame for each recommendation, the responsible party, the cost, and the corresponding funding source. Although this plan covers a twenty year time period, this Action Table focuses on the first five years of the plan. This brings the entire Affordable Housing Production Plan in line with the rest of the Town's Comprehensive Plan, which requires review and updating of each element every five years.

The following acronyms are used in the Action Table:

TC: Town Council
PB: Planning Board
PD: Planning Department
SKHA: South Kingstown Housing Authority
AHC: Affordable Housing Collaborative
NP: Non-Profit Developer/ Provider
FP: For-Profit Developer

ACTION	COST ESTIMATE	SOURCE	RESPONSIBLE PARTY	TIMELINE
Build and Preserve Affordable Rental and Owner-occupied Housing				
<i>OBJECTIVE: To achieve a balance of affordable rental and owner-occupied housing in the Town so that there are more housing opportunities available to support for a more diverse range of people.</i>				
PROGRAMMATIC RECOMMENDATIONS:				
• Form an Affordable Housing Collaborative	Associated Legal Fees		TC	Year 1
• Hold Annual Town Council Meetings that specifically address the year's progress, and adjust the agenda of the next year based on that progress	Associated Legal Fees		TC, AHC	Years 1-5
• Establish an Affordable Housing Trust Fund	\$300,000	HOME	TC	Year 1
• Create a Program to Provide Assistance to Non-Profit Developers for Operating Costs	To be Determined	CDBG	TC, PD	Years 1-5
REGULATORY TECHNIQUES:				
• Adopt a Mandatory Inclusionary Zoning Ordinance	Associated Legal Fees		TC, PD	Year 1
◦ This will potentially create 16 affordable units per year	Up to \$50,000/unit	HOME, Trust Fund	TC, PD	Years 1-5
• Revise the Zoning Ordinance to Allow for Greater Flexibility with Regards to Lot Size and Density	Associated Legal Fees		TC, PD	Year 1
• Town Should Consider Amending the Zoning Ordinance to Encourage Innovative Construction Design	Associated Legal Fees		TC, PD	Year 1

ACTION	COST ESTIMATE	SOURCE	RESPONSIBLE PARTY	TIMELINE
HOMEOWNERSHIP:				
<ul style="list-style-type: none"> Assist Non-profit Organizations to Develop Affordable Housing (new construction and/or rehabilitation) to lower construction costs 	To be Determined	CDBG, HOME. Trust Fund, Lead	PD	Years 1-5
<ul style="list-style-type: none"> <ul style="list-style-type: none"> Non-profits should be funded to build 5 units per year 	Up To \$50,000 / unit Subsidy	Trust Fund, RIHMFC, LIHTC	TC, NP	Years 1-5
<ul style="list-style-type: none"> Create a program to assist affordable homebuyers with closing and down payment costs 	Up to \$5,000/ unit	HOME, CDBG	PD	Years 1-5
<ul style="list-style-type: none"> Expand Section 8 Program with Housing Authority 	Associated Legal Fees	HUD	TC, SKHA	Years 1-5
<ul style="list-style-type: none"> <ul style="list-style-type: none"> SKHA should develop 5 units per year 	\$50,000 / unit	HUD	SKHA	Years 1-5
<ul style="list-style-type: none"> Support the Adaptive Reuse of Existing Mill Buildings to Provide for Affordable Homeownership Units 	\$100,000/ unit	HOME, Historic Tax Credits, Lead, Brownfields	TC, PD, PB	Years 1-5
<ul style="list-style-type: none"> Support For-Profit Developers to Create Affordable Units Within Subdivisions 	\$0 - \$50,000/ unit	HOME	PB, FP	Years 1-5
RENTAL OPPORTUNITIES:				
<ul style="list-style-type: none"> Develop 100 units of affordable family housing over five years 	To be Determined	RIHMFC, LIHTC, HOME	TC, PD, NP, FP	Years 1-5

ACTION	COST ESTIMATE	SOURCE	RESPONSIBLE PARTY	TIMELINE
<ul style="list-style-type: none"> Support the Development of 100 units over the next five years for Elderly Housing 	\$10,000,000	HUD 202, RIHMFC	C, NP, PD	Years 1-5
<ul style="list-style-type: none"> Identify Properties that Could Use Historic Tax Credits 	Associated Legal Fees		TC, PD	Year 2
<ul style="list-style-type: none"> Encourage the Adaptive Reuse of Existing Mill Buildings as Affordable Apartments 	\$100,000 plus	RIHMFC, HUD, Tax Credits, CDBG	PD	Year 2
HOMELESS AND SPECIAL NEEDS:				
<ul style="list-style-type: none"> Support the Development of 10 units of Emergency, Transitional, and Permanent Housing for Homeless Persons 	\$100,000/ unit	McKinney HUD, RIHMFC, HRC	TC, PD, NP	Years 1-5
<ul style="list-style-type: none"> Support the Development of 20 units of Housing for Disabled and Persons with Special Needs 	\$100,000/ unit	HUD 811, RIHMFC, HRC	TC, PD, NP	Year 2
EXISTING HOUSING STOCK:				
<ul style="list-style-type: none"> Improve and Maintain Existing Housing Stock by Increasing Code Enforcement: 	Associated Legal Fees		Town Building Official	Years 1-5
<ul style="list-style-type: none"> Create a Program to Assist Eligible Homeowners with Home Repair 	\$100,000	CDBG	TC, PD	Years 1-5
<ul style="list-style-type: none"> Ensure that Affordable Housing in Town is Safe and Sanitary 	Associated Legal Fees		Town Building Official	Years 1-5

ACTION	COST ESTIMATE	SOURCE	RESPONSIBLE PARTY	TIMELINE
Gain Community Support for Affordable Housing				
<i>OBJECTIVE: To increase awareness of need for affordable housing and involve community</i>				
<ul style="list-style-type: none"> Encourage Mixed Income Subdivisions 	Associated Legal Fees		AHC	Years 1-5
<ul style="list-style-type: none"> Conduct Educational Workshops to Raise Community Awareness about Affordable Housing 	Associated Legal Fees		AHC	Years 1-5
<ul style="list-style-type: none"> Build Collaborative Relationships and Seek Additional Support 	Associated Legal Fees		AHC, Town	Years 1-5
Identify Funding Sources and Existing Resources for the Development of Affordable Housing				
<i>OBJECTIVE: To use existing resources to the fullest to fund the development of affordable housing</i>				
<ul style="list-style-type: none"> Ensure Consistency in Comprehensive Plan 	Associated Legal Fees	Town	PD	Current
<ul style="list-style-type: none"> Maintain an Updated Database of Housing Trends 	Minimal Cost	Town	PD	Years 1-5
<ul style="list-style-type: none"> Purchase Land in Town for Affordable Housing Development 	To be Determined	Town, RIH, HUD	TC	Years 1-5
<ul style="list-style-type: none"> Seek Donations of Land for Development 	No Direct Cost	Residents, Non-profits	AHC, TC, PD	Years 1-5
<ul style="list-style-type: none"> Allocate Funding Annually for Land Acquisition 	To be Determined	Town	TC	Years 1-5

ACTION	COST ESTIMATE	SOURCE	RESPONSIBLE PARTY	TIMELINE
<ul style="list-style-type: none"> Commission Feasibility Study for Adaptive Reuse of Palisades Mills Complex (including consideration of affordable housing) 	\$20,000	RIHMFC, Town	TC, PD	Current

Form Partnerships to Address Challenges and Develop Affordable Housing

OBJECTIVE: To for partnerships that will increase the effectiveness of an affordable housing strategy by promoting cooperation and collaboration

<ul style="list-style-type: none"> Create a Coalition of Non-profit Developers who Specifically Work in and Around South Kingstown 	Associated Legal Fees		AHC, NP	Year 1
<ul style="list-style-type: none"> Partner with URI to Address Student Housing Issues 	Associated Legal Fees		TC, PD, URI	Year 1

APPENDIX A

POTENTIAL FUNDING SOURCES

- *Rhode Island Housing and Mortgage Finance Corporation*
RIH provides financial and program support to create affordable housing for low- and moderate-income Rhode Islanders. The agency offers more than 20 homeownership and rental housing programs, which generally have purchase price and income eligibility restrictions. Some of these programs are outlined below:
 - *Home Repair Loans*: Low-interest loans of up to \$15,000 for owner-occupied, one- to four-unit homes.
 - *Zero Down*: No down payment financing that combines low-interest mortgages with federal loan guarantees.
 - *HOME*: Grants and low-interest loans to encourage the construction or rehabilitation of affordable housing.
 - *Next Step*: Nonprofit social service agencies may apply for deferred-payment loans for the development of transitional housing for families and individuals in crisis. The maximum loan is \$20,000.
 - *Pre-development Loan*: Short-term loans to qualified nonprofit developers to cover pre-closing costs incurred in determining development feasibility and obtaining site control.
 - *Preservation*: RIH finances the purchase of or re-finance existing Section 8 housing in exchange for extending the affordability restrictions beyond the term of the original HAP contract. This program can also give Section 8 owners access to a project's residual reserves.
 - *Rental Housing Production Program*: This is RIH's primary program for financing the construction and rehabilitation of affordable rental units. Proposed projects must be at least 12 units, and the units must be affordable to households earning no more than 60% of HUD's median family income.
 - *Targeted Loans*: Deferred-payment loans to encourage construction and rehabilitation of affordable rental housing. This program is intended to serve as gap financing to ensure long-term affordability in the absence of other subsidies. Generally, Targeted Loans are available only when used with RIH first mortgage financing.
 - *Technical Assistance*: RIH provides "how to" help and short-term loans for individuals, municipalities and nonprofit groups to strengthen their capacity and encourage the production and preservation of affordable housing.
 - *Thresholds*: RIH provides grants for the development of housing that integrates persons with long-term mental illness into the community. Thresholds funds generally are used to supplement development budgets. In exchange, one of more units in a project is reserved for residents who are referred and assisted by mental health sponsors.
 - *First Homes*: RIH offers income-qualified first-time homebuyers low-interest mortgages, and downpayment and closing cost assistance.
- *State and Federal Tax Credits*
The *Low Income Housing Tax Credit (LIHTC) Program* was created by the Tax Reform Act of 1986 as an alternate method of funding housing for low- and moderate-income households, and has been in operation since 1987. These tax credits are used to leverage private capital

into new construction or acquisition and rehabilitation of affordable housing. The tax credits are determined by the development costs, and are used by the owner. Most states look more favorably on projects serving a higher percentage of income-eligible households. Rhode Island Housing allocates these tax credits to qualified developers of affordable housing, who then sell them to investors, generating equity for the project.

The *Federal Historic Preservation Tax Credit Program* provides federal income-tax incentives for the rehabilitation of historic income-producing properties. Under the provisions of the Tax Reform Act of 1986, a 20% tax credit is available for the substantial rehabilitation of commercial, agricultural, industrial, or rental residential buildings that are certified as historic. The credit may be subtracted directly from federal income taxes owed by the owner. The Historic Preservation Tax Credit Program benefits the owner, the occupants, and the community by encouraging protection of landmarks through the promotion, recognition, and designation of historic structures; increasing the value of the rehabilitated property and returning underutilized structures to the tax rolls; and upgrading downtowns and neighborhoods and often increasing the amount of available housing within the community.

The *Rhode Island State Historic Preservation Residential Tax Credit* was created to encourage the maintenance and rehabilitation of Rhode Island's historic homes by providing an income tax credit to property owners who undertake preservation related work to their historic homes. This means maintenance work from routing painting to complex reconstruction work such as rebuilding chimneys and foundations are both eligible for the tax credit. All interior work, new construction, additions and landscaping are not eligible for this tax credit. To receive a tax credit, owners must spend a minimum of \$2000 on the project, and the building must either be listed on, or considered eligible for the National Register of Historic Places.

- *Federal Home Loan Bank*

The Federal Home Loan Bank of Boston provides low-cost funding, and other credit programs to enhance the financial strength of local lenders, providing them with adequate liquidity at competitive prices so that they can meet the housing finance and credit needs of their communities. The Federal Home Loan Bank advances funds at lower rates than available in the commercial market. Each year since 1989, The Federal Home Loan Bank has contributed 10% of its income to the Affordable Housing Program (AHP). This program subsidizes long-term financing for very low-, low- and moderate-income families.

- *Bond Funds*

General Obligation Bonds are issued by the local municipality and are paid for by taxpayer. They can be used for physical improvements within municipalities.

Revenue Bonds provide public capital, and are paid for only by the users. There are a number of creative mechanisms for issuing Revenue Bonds. Revenue

- *Community Development Block Grant (CDBG) Funds*

CDBG Funds are given to communities who meet criteria based on the income of people residing in specific geographic areas. The primary objective of CDBG Funds is to develop viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income

- Section 108
Section 108 is a loan provision of the CDBG program, providing communities with financing for economic development, housing rehabilitation, public facilities, and large-scale development projects. Up to five times the latest approved CDBG amount may be applied for under Section 108, minus any outstanding Section 108 commitments and/or principal balances on Section 108 loans for which the State has pledged its CDBG Funds as security. The maximum loan repayment period is 20 years.
- Neighborhood Opportunities Program
The Neighborhood Opportunities Program (NOP) is administered by The Rhode Island Housing Resources Commission, and the major goal of this program is to “increase the supply of decent, safe, and affordable rental housing for very low-income families and individuals and to revitalize local neighborhoods.
- U.S. Department of Housing & Urban Development (HUD)
HUD funds and administers a number of programs aimed at increasing and preserving the supply of affordable housing for diverse populations. Some of the HUD programs that are (or could be) utilized in South Kingstown include the following:
 - Section 811 Supportive Housing for Persons with Disabilities: The Section 811 program provides opportunities for very low-income adults with disabilities and their families to live independently and receive supportive services. At the time of this study, there were no Section 811 housing units located in South Kingstown. Section 811 tenants pay 30% of their incomes for rent.
 - Section 202 Supportive Housing for the Elderly: The Section 202 program provides funding to enable very low-income elderly persons to live independently by increasing affordable rental housing with associated supportive services. At the time of this study, South Kingstown had 100 units of Section 202 housing at Peace Dale House. Section 202 tenants pay 30% of their incomes for rent.
 - Continuum of Care: HUD funds a number of programs under the *Continuum of Care*, a HUD system that recognizes that homeless people have different needs. *Continuum of Care* programs address the changing needs of homeless persons—from emergency shelter to transitional housing to permanent housing.
 - Housing Opportunities for Persons with AIDS (HOPWA): The HOPWA program provides funding to develop and subsidize affordable housing for low-income persons and their families living with and affected by HIV/AIDS.
 - Federal Housing Administration (FHA) Homeownership Programs: This FHA program supports homeownership by administering mortgage insurance programs to financial institutions issuing mortgages to moderately priced homes. FHA programs also include opportunities for people to live in the communities where they work, and opportunities for non-profits and local governments to purchase homes at discounted rates.
 - Fair Housing Assistance Program (FHAP): This program supports State and local housing authorities in supporting fair housing through the enforcement of fair housing laws and ordinances.
- Rhode Island Economic Development Corporation
The Rhode Island Economic Development Corporation (RIEDC) provides tax incentives and loans for economic development efforts throughout the State.

- Foundations
Foundations such as the Champlin Foundation, the Rhode Island Foundation, Annie Casey, and United Way provide funding in the form of grants and loans to specific housing development projects.
- Environmental Protection Agency
The Environmental Protection Agency (EPA) provides funding for clean up of contaminated air, soil and water. EPA funding may be available to clean-up proposed affordable housing development sites with contamination issues.

APPENDIX B

GIS MAPS

Map #1: Town of South Kingstown Residential Land Use. 1995.

Map #2: Town of South Kingstown Residential Zoning. February 2004.

Map #3: Town of South Kingstown Zoning. February 2004.

Map #4: Town of South Kingstown Buildout Analysis. November 2004.

Map #5: Town of South Kingstown Location of Affordable Housing. November 2004.

Map #6: Substantial Housing Rehabilitation/Conversion Targeted Corridor's Map.